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ESTABLISHED 1887



ian Serb taking aim Wednesday at a Muslim position in Ozrem, near the Muslim-held town of Tuzla in northern Bosnia, while a fellow soldier protected his rear.

# In Japan, Young vs. Old In Showdown

amounce his resignation. Thursday, as two generations of leaders in the decay divided rating Liberal Democratic Party struggled for the

Liberal Democrane conty suggests as a right to name his successor.

Party officials and varually every major newspaper and television network said late. Wednesday that Mr. Myszawa had abandoned his effort to stay in office, but would stay on as a caretaker mill the middle of near month.

country is paralyzed. Japanese officials have quietly told the United States not to expect progress on a series of international initiatives for weeks or mentas.

That appears to include the implementation of a framework for trade relations agreed upon

by Mr. Miyazawa and President Bill Clinton 11

in ordinary times, Mr. Miyazawa's successor as passident of Japan's largest political party would automatically become prime minister. But after the party lost its majority in pariament Sunday, it faces herce competition from an alliance of opposition parties that is also attempting to set up a coalition government.

If that effort succeeds - and its once remote prospects seem to be improving — the prime minister would likely be drawn from one of the three leaders of the new "reform" parties chal-

lenging the scandal-ridden old guard.

Public epinion seems deeply divided on the question of which side has more legitimacy to form the government. But there are growing accusations that the aging commanders of the Liberal Democrats are ignoring the election

results and clinging to power. Mainichi Shimbon, a major conservative daily, said in an editorial that the party "should understand that the voters very clearly rejected its one party rule, and should step down and

concede power to the opposition."

No matter who prevails in the power struggie lapan will emerge with a weak conservative government and will probably face another round of elections in the next year to consolidate power.

But the Liberal Democrar's effort to hold on is its rationed by a long simusering generational struggle crupting within the giant party, one that many believe could ultimately lead to an

The dynamics of Japanese politics have funriamentally changed," Gerald Curtis, a profes-sor of Japanese politics at Columbia University, sand here the other day. "Humpty-Dumpty has fallen off the wall, and cannot be put back logsther again."

Perhaps so, but party elders have spent the

See JAPAN, Page 6

# A Suicide in the White House Family

By Thomas L. Friedman

New York Times Service WASHINGTON - A somber and stunned President Bill Clinton on Wednesday paid tribute to Vincent Foster Jr., a top White House lawyer and boyhood friend who drove Tuesday from his Pennsylvania Avenue office to a Potomac River bluff and apparently killed himself with a gunshot to the head.

"It is an immense personal loss to me and to Hillary and to many of his close personal friends here," the president said during a brief appearance at the White House. "As I try to explain to the young supple on the staff, there is no way to know how these things happen."

All, Chatter rejected some reporters' suggestions that Mr. Foster hight have been driven to suicide by despondency over recent negative publicity related to the legal counsel's handling of the White House travel office scandal and various botched appointments. The president said." Certainly don't think that can explain it I certainly president said: "I certainly don't think that can explain it. I certainly don't think it's accurate."

Mr. Foster's body was found shortly before 6 P.M. Tuesday, on a spot overlooking the Potomac River at Fort Marcy, a roadside park in a Virginia suburb of Washington. He was slumped on an embankment in front of a Civil War cannon

about 200 yards from his car, his jacket and tie off and a revolver in his right hand, park police officials said.

The police and White House officials said Mr. Foster had left no

suicide note, and none of his friends or associates was able to explain his apparent suicide, just over six months after he came to Washington to join in Mr. Clinton's victory.

Hillary Rodham Clinton, the first lady, worked with Mr. Foster for many years at the Rose law firm in Little Rock, Arkansas, and has been widely described as one of his closest friends.

Mr. Foster, 48, the deputy White House counsel, who was married and had three children, had spent a seemingly normal morning at work Tuesday, his associates said. His family had only recently come to join him in Washington from Little Rock.

Aides said that Mrs. Clinton and Mr. Foster's co-workers and former legal partners in Little Rock were baffled as to why this low-key lawyer, who only two weeks ago was showing off his White House office to his children, would have taken his life.

Some simply shook their heads and ascribed the death to what one friend called "private demons" that may have baunted a man who tended to keep his problems to himself.

Friends said Mr. Foster, who had been involved in the decision to niss seven employees of the White House travel office in May, was bothered by the scandal. A report on the affair earlier this month, although it did not single him out for criticism, concluded that the concerning to contain the momentum of the

See SUICIDE, Page 6

# Never Talk With PLO? Israel Rethinks It

By David Hoffman

Washington Part Service
JERUSALEM — Israeli television's popular talk show "Popolitika" entertained an unusual guest recently in a live telephone hook-up from

Bassam Abu Sharif, adviser to the chief of the Palestine Liberation Organization, Yasser Arafai, announced on the show that he was ready to come to Tel Aviv for talks on Middle East peace in a few days. "Just let me know where I can get my visa," he said.

At one time, the statement would have seemed preposterous, but today it is just another sign of the nascent and expanding informal ogne between Israel and its onetime nem-

For years, Israel regarded Mr. Arafat and his organization as terrorists, and contacts with them were illegal under Israeli law. But now that the law has been annulled, Israeli members of parliament have freely talked with PLO ieutenants in third countries.

Moreover, there is growing sentiment in the left-center government of Prime Minister Yitzhak Rabin to open direct contacts with Mr. Arafat. By a me accounts, a majority of Mr. Rabin's cabinet either have openly stated their support for such a move or privately favor it.

"Those who say don't ever talk to the PLO are now a minority in the Labor Party," said a veteran Labor official.

But Mr. Rabin, with a hawkish outlook and a deep suspicion of Mr. Arafat, remains reluctant

prime minister believed there was "no alternative" but to continue the peace-talks format, in which Israel negotiates with a delegation of Palestinians from the Israeli-occupied West Bank and Gaza Strip. He denied newspaper reports that Mr. Rabin had authorized a secret

back channel to Mr. Arafat. Moreover, Mr. Rabin does not want to do anything that would create friction with the United States, according to the veteran Labor official. Mr. Rabin believes that Washington would frown on a direct opening to Mr. Arafat, he added. However, in his first year in office, Mr. Rabin has eased Israel's approach to the PLO, pennitting Palestinian delegates from the occupied territories to move to and from PLO

See TALKS, Page 6

Trib Index

# U.S. and Europeans Signal Bosnia Muslims To Seek Peace Now

### Rejecting Intervention, Allies Assert That Prolonging War Will Backfire

By Joseph Fitchett

PARIS - The United States and major European governments are signaling Bosnia's Muslims to sue for peace on terms that could stop war now, Western officials said Wednes-

The core of this message is that any hope of prolonging the lighting to negotiate a better deal will backfire, exposing Muslim forces to an

overwhelming deleat.

That is why, the officials said, the Clinton administration and European governments are turning a deaf ear to Bosnian pleas for outside intervention to halt what appeared to be an imminent offensive by Serbian forces against Sarajevo, the Bosnian capital.

Sending the same message, a French policymaker offered the Western military assessment: "The Muslims have only a few weeks left, probably less than a month, before they suffer complete deleat."

By that, he meant that Muslim-held territory would be reduced to Sarajevo and a few pockets elsewhere - in effect, refugee camps. The chances of preserving a Muslim ministate could be lost because the surviving Muslim communities, cut off by Serbian forces, would face devastating hardships, especially next winter when it will be hard to deliver food supplies.

Driven by this military reality, the United States, determined not to commit ground troops, and France and Britain, lacking the power to act alone, have had to abandon yet another untenable diplomatic position adopted to camouflage confusion over policy.

This time the casualty was the decision in May - pushed by France and Britain, brokered by Russia and finally accepted by the United States - to abandon the so-called Vance-Owen peace plan and turn to Bosnia's partition, initially disguised as a frail unitary

Although some diplomats have clung to it, even this limited formula proved beyond the power of Muslim forces without greater WestSo now the Bosnian government is being sent a message — which Western leaders apparently are embarrassed to say publicly - to concede victory to the Bosman Serbs and produce a peace proposal accepting the ministate.

That is the reason, U.S. officials said, that President Bill Clinton adopted almost harsh tones when he rejected, in a felevision interview Tuesday night, any chance of U.S. help for the beleaguered Muslims.

A similar sense of fatalism dominated comments Wednesday by Secretary of State Warren M. Christopher. "The United States is doing all it can consistent with our national interest." he told a news conference, listing humanitarian relief, sanctions against Serbia and the threat of

war erimes trials. Conspicuously absent was any reference to earlier Clinton administration statements supporting the Bosnian government, Mr. Christopher sidestepped questions about Bosnian fighters' increasingly desperate situation.

In this military calculus, which has prevailed at every turn in Western policy debates about the Yugoslav conflict. Serbian forces are deemed to enjoy such domination that they have no intention of trying to overrun Sarajevo or even pushing hard to conquer the strategic peak overlooking the city.

Serbian attackers "will take Mount Igman if it falls, but their main purpose is to tie down Muslim troops around Sarajevo while ethnic cleansing proceeds elsewhere in areas that no-body can defend," a French official said.

UN peacekeeping forces also have drawn into the last Muslim pockets, reflecting growing resignation among Western governments about the inevitability of accepting a Serbian and Creatian victory.

"I'm afraid that's the way it is." a European official said, noting that no significant Western military reinforcements were forthcoming to protect the safe havens that underpinned hopes of maintaining Muslim bargaining leverage and salvaging Western hopes of preserving a Bosni-

See MESSAGE, Page 6

# **Mediators Press Hard** For a Geneva Settlement

By David B. Ottaway

VIENNA - International mediators and the European Community stepped un sure on President Alija Izetbegovic of Bosnia to come to Geneva this weekend for what they are insisting must be the final round of negotiations for ending the Bosnian war.

The death, destruction and suffering now taking place in Bosnia and Herzegovina has reached a level which, with winter approaching, makes us both shudder for the future of your country," said Lord Owen and Thorvald Stoltenberg, the two mediators, in a letter sent to all three Bosnian faction leaders.

They invited the three to come to Geneva this weekend and said that the negotiations should go on "in continuous session until a settlement

Foreign Minister Willy Claes of Belgium, representing the European Community, was scheduled to visit Sarajevo on Wednesday with similar message of a pressing need for Mr. Izethegovic to show up in Geneva this weekend. A UN spokesman in Geneva said that the

negotiations would resume Friday and that there were indications Mr. Izetbegavic would be present. Reuters reported.

The Owen-Stoltenberg letter was sent to the Bosnian Croatian leader. Mate Boban, and the

Bosnian Serbian chief, Radovan Karadzie, as well as to Mr. Izetbesovic.

However, diplomatic sources said the main attend negotiations that are likely to result in the death of his Muslim-led government and the replacement of a single multiethnic Bosnian state by three largely independent and ethnically separated ones.

Mr. Izetbegovic said in a statement released through the Bosnian Embassy in Zagreb that he would not negotiate while Bosnian Croatian forces and regular Croatian units continued blocking 150 trucks carrying 1,000 tons of relief supplies to Sarajevo.

"I will not go to Geneva for as long as there is aid intended for Bosnia-Herzegovina sitting at its door," he said.

Earlier, the Bosnian leader had said he would

not go until Bosnian Serbian forces halted their current offensive against Bosnian Army positions on Mount Igman overlooking Sarajevo. But on Wednesday, Sarajevo radio said the Bosnian Army had recaptured some of its lost

Lord Owen said Wednesday that Bosnian Muslim, Serbian and Croatian leaders had assured him that there would be a military pause for peace talks in Geneva. Reuters reported

See BOSNIA, Page 6

### Kiosk

### France Picks Firms to Be Privatized

The French government announced Wednesday the first four companies to be sold off in its privatization program, which aims to raise 40 billion francs (\$690 million) by the end of this year.

Two Libyan terrorist suspects were discreet

Conoral News

streets of Tehran.

Albanian expulsion of a Greek Orthodox priest stirs new tensions in Balkans. Page 6. Islamic moral enforcers have returned to the

Banque Nationale de Paris, the chemica company Rhone-Poulenc, the oil giant Elf Aquitaine and Banque Hervet, a small bank. will top the list, with the first sales scheduled for September. (Page 9)

Fashion Saint Laurent remains couture's King Ca-

Page 2. The Bundesbank trimmed a key interest rate but dampened hopes of a bigger cut. Page 9. when trying to hire U.S. lawyers. Page 3. The Hyundai strike could end soon. Page 15.

Down 0.14% ິປກີ 10.62 χŽ 102.73 102.73 3,555.40 7 The Dollar 1.6976 1.5105 Pound 1.5156 108 125 108.20 5.8005 5,806

Dow Jones

Book Review Page 8 Bridge Page 8. Page 18. Crossword

# A Long, Muddy Recovery Awaits U.S. Flood Victims

By Peter Applebome
New York Times Senice

ST. CHARLES, Missouri - It is becoming numbingly clear to tens of thousands of residents around the Midwest that although the worst of the flooding along the Mississippi River may be over, the worst part of the historic flood is just beginning. Many residents will not be able to return

home for weeks: many farmers are facing cataclysmic losses that will put their businesses in jeopardy and their lives in disarray, and many residents are beginning to face the reality that the flooding of the past three weeks is prelude to a soggy, fetial recovery that will drag on like a long illness. "A hurricane comes and it's gone," said Berry

Chandler, as she looked disconsolately at the slimy, sewage-infested waters that have surrounded her home at the St. Charles Mobile Home Community. "But a flood like this hits, and then you wait, and you wait, and you wait," said Miss Chandler, who moved into a motel. This is it for me. After this I'm going to find a place on the highest hill I can find."

Residents say it will be at least a month before they are able to return home to see if anything is salvageable.

There is still considerable risk of new flooding throughout much of the Midwest, officials said Tuesday. In South St. Louis, thunderstorms fed rising waters that broke through at least one levee along the River des Peres, which first flooded Sunday. Although the river is receding in some areas, in much of the region it

See RIVER, Page 3



A weather-weary pedestrian making his way past the Gateway Arch in St. Louis.

# In China, Thanks to Ultrasound, It's Usually a Boy

By Nicholas D. Kristof

New York Times Service XIAMEN. China - Half a dozen barefoot peasants were taking a break during a fierce storm the other day, and as the tain pounded on the rice paddies outside, they lounged in a crude stone cottage and marveled at 20th century technology. "Last year, we had only one girl born in the village -

everybody eise had boys. Y.H. Chen said in a tone of awe, as the others nodded agreement. He explained that for a bribe of \$35 to \$50, a doctor would tell whether a woman was pregnant with a boy or a girl. "Then if it's a girl, you get an abortion," he said.
In the China of the 1990s, the modern machine that is

probably having the most far-reaching effect on society is not the personal computer, the fax or even the car. It is the phrasound scarner. Partly because of nitrasound scans to check the sex of fetuses, followed by abortions of female ones, the sex ratio of 385,000 people conducted in September and October, is a preliminary one, but it so shocked the authorities that they ordered that it be kept secret.

Normally, women of all races give birth to about 105 or 106 boys for every 100 girls. China's ratio last year meant that more than [2 percent of all female fetuses were aborted or otherwise

Because China's population is so huge - 1.17 billion - that adds up to more than 1.7 million missing girls each year.

Like medical workers in the West, Chinese doctors use ultrasound to look at patients' livers, to check that IUDs are positioned properly and to see whether fetuses are developing

healthily. Chipese peasants use ultrasound to have sons. "Ultrasound is just like nuclear technology," the Public Security News, an official newspaper, lamented a few weeks ago. "It is a wonderful thing for society, and yet it also brings

newborn children in China last year reached 118.5 boys for ... In a sign of alarm at the sex ratio, the official press is

every 100 girls. That statistic, based on an official survey of beginning to warn that today's infant boys will be unable to find wives in 20 years. Yet, aside from vague warnings about "bachelor villages" multiplying in the countryside, no one is exploring what social consequences may arise in a nation with a huge surplus of men.

China is not the only country facing this problem. Through out Asia, with its traditional preference for boys, ultrasound scanners and other medical technologies are being used to check the sex of fetuses. Apparently largely because of ultrasound scans, the sex ratio of newborn children in South Korea is about 113 boys to 100 girls.

The practice of aborting female fetuses in India has led the authorities in Bombay to limit prenatal testing to women 35 years and older or those with a family history suggesting the possibility of birth defects. Recent conversations with dozens of peasants in three prov-

inces - Fnjian, Sichuan, and Hubei - suggest that for now the villagers are unconcerned about whether their sons will be able

See BABIES, Page 2

### Christopher Seeks To Woo ASEAN

By Paul F. Horvitz International Herald Tribune

WASHINGTON -- Secretary of State Warren M. Christopher expressed optimism Wednesday that an informal meeting of Asian leaders proposed by President Bill Clinton would go forward in the autumn despite reports of grumbling

in some Asian quarters.

As he prepared to depart for meetings in Singapore and Australia. Mr. Christopher told reporters: I feel confident that there will be a response that will indicate that virtually all of the countries in the region want to proceed with it."

Asian foreign and trade ministers will gather in Seattle in mid-November for a meeting of the Asia Pacific Economic Cooperation forum, and Mr. Clinton has suggested that national leaders attend as well, for informal talks.

But in some Asian capitals, in-cluding Beijing and Kuala Lumpur, there are reports of uncertainis about U.S. intentions under Mr. Clinton's vision, enunciated in Tokyo this month, of a "new Pacific

Mr. Christopher indicated that the United States would continue through diplomatic channels to reassure Asian leaders about the session, although he offered no guarantee that all 15 leaders in the group would attend.

Last week, after some Asian concerns surfaced, a senior Clinton aide said that the president was merely "exploring" the idea of in-viting Asian leaders. The idea originated, he said, with Prime Minister Paul Keating of Australia.

Mr. Clinton's concept, he said, is "a meeting of the leaders at an informal retreat to discuss economic issues only.

On Wednesday, Mr. Christopher was a bit more positive, saying: "So tar our response has been very encouraging - not unanimously so. but very encouraging."

Discussions are reportedly con-tinuing with officials in China, Japan and Indonesia, Malaysia has virtually rejected the idea, according to news reports over the week-

In some capitals, concern focus-es on the Seattle meeting's potential for overshadowing the independent security and trade arrangements being sought by individual Asian nations. Beijing, for example, is reportedly unwilling to attend a meeting at which Taiwan and Hong Kong would be present.

Mr. Christopher will be meeting with his counterparts from these and other Asian nations in Singapore next week at the annual meet ing of ASEAN, the pact comprising Brunei, Indonesia, Malaysia, Phil-

ippines. Singapore and Thailand. The 15 nations in the economic group joined in 1989 to reduce trade barriers and generally improve the business climate among Pacific nations, including the United States and Canada.

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"This is a relatively new organization, and I think President Clinton feels that he wants to emphasize that the United States has a continuing commitment to Asia." Mr. Christopher said. "We continue to be a Pacific power, and he thought it would be useful to have that kind of a high-level exchange among the leaders. It's quite parallel of course to the NATO summit that he proposed for Europe, and I think it's part of his desire to emphasize the significance of Asia in

the United States' thinking." According to a Clinton aide. Washington hopes that the economic forum will help defuse some of the bilateral trade tensions in the

region.
On other Asia-related matters, Mr. Christopher sketched his agenda for the Singapore talks, expressed cautious optimism about U.S.-North Korea talks on nuclear facilities and cautioned China on

Asked about reports that Washington intends to warn Beijing about weapons exports, the secretary of state said he would take up arms proliferation, as well as issues of human rights and trade abuses, with China's foreign minister, Qian

"I think that it will be necessary to see progress in those areas," he said, if Washington is expected to continue to offer Beijing preferential trade status. The recent talks in Geneva in

which North Korea agreed to consult with the International Atomic Energy Agency on nuclear facilities represented a small but significant step forward in Washington's attempt to bar any nuclear weapons production there. Mr. Christopher

But he cautioned: "Certainly. the United States does not intend to watch this matter be stalemated or stalled. But it's moving along in a way that's encouraging He said his talks on regional se-

curity under the umbrella of the Association of South East Asian Nations "will supplement, but they will not supplant" long-standing bilateral U.S. military ties.

### Israeli Workers End Strike

JERUSALEM -- Israel's 60.000 government employees ended a two-week strike Wednesday after lengthy talks with treasury officials, union leaders said.

# By Chris Hedges New York Times Scrowe

TEHRAN - The traffic had gradually slowed to a crawl along Africa Street in north Tehran. Prostitutes who had been on the curbside moments earlier nodding discreetly to male motorists from beneath the folds of black cloth suddenly melted away.

The pop music that had blasted from car stereos was quickly silenced. Women in cars hastily wiped away lipstick and pulled scarves over their foreheads.

In a matter of minutes, the wealthy neighborhood had become a model of Islamic decorum. And at the top of the hill it was easy to see why.

Groups of hearded men known as Bassijis. many carrying automatic weapons, motioned cars to pull over. Trunks popped open, and stacks of music and video cassettes were piled on the sidewalk.

Couples who could not produce marriage licenses were sent to the local police station to explain the nature of their relationship.

This was no ordinary sweep by Iran's moral police, nor an official crackdown on vice. Only a year after they seemed to have been reined in by the Islamic government.

the raging militias have returned. The Bassij, originally formed in 1980 to

By Mark C. Huband

MOGADISHU, Somalia — United Nations

troops have tried and failed several times to

capture the fugitive Somali warlord General

Mohammed Farrah Aidid, according to the

UN officials until now have played down the

importance of capturing and trying General Aidid, saying they could have brought him in but were afraid to set off a battle that would

cause civilian casualties. But the chief UN en-

voy, Jonathan Howe, a retired U.S. admiral,

acknowledged in an interview this week that

UN attempts to arrest the militia leader had so

far failed and that General Aidid's capture was

essential if the \$1.3 billion UN operation in

Somalia was to lead to reconstruction of the

General Aidid is one of the most powerful of

the Somali factional leaders who emerged as de-

facto regional rulers following the overthrow of

President Mohammed Stad Barre in January

The general and his followers were accused

by UN officials of staging a series of ambushes

on June 5 in which 24 Pakistani troops serving

with the UN peace-keeping force were killed. The United Nations responded by ordering

BEIJING - China repeated Wednesday

that it pledged to abide by an international

agreement limiting arms sales, after the

United States threatened economic sanc-

tions if Beijing shipped missiles to Pakistan

issue of it, the Chinese Foreign Ministry

The State Department threatened sanc-

tions Tuesday, five days before U.S. diplo-

mais were to arrive in Beijing in an effort to

"The U.S. side should stop making an

chief UN official in the country.

shattered country.

This time, the enemy is Western culture, infiltrated by satellite dishes and disseminated in underground books, videos, and cassettes. Clerics say the consequences of such exposure include prostitution, drug and alco-matic weapons. hol use, and atheism.

"This war goes to the root of our exis-tence," said Commander Ali Reza Afshar, the former chief of staff of Iran's Revolutionary Guards and head of the Bassijis.
"While physically there is no loss of life, our young people are being felled by cultural bullets. And this cultural corruption makes our young impotent to rebuild the nation."

The compensate of the 2 million Bassific.

The re-emergence of the 3 million Bassijis, literally "those who are mobilized," has crushed the hopes many Iranians held last year of an opening to the West after parlia-mentary elections that removed radical deputies who opposed President Hashemi Raf-sanjami's proposals for free-market changes.

"It seemed just a few months ago that the days when gangs of Islamic vigilantes roamed Iranian streets with impunity were over," a European ambassador said. "But we were wrong. Not only have they returned, but they have returned with more power and

FREEDOM! — Karyn Smith, 21, one of two British women pardoned by King Bhumibol Adulyadej of Thailand after an appeal by Prime Minister John Major, being escorted from prison Wednesday in Bangkok. She and Patricia Cahill, 20, were arrested for heroin smuggling in July 1990 and were sentenced the following December, Miss Smith to 25 years, and Miss Cahill to nearly 19.

UN Says It's Trying to Catch Somali Chief

tions prompted criticism of the world body.

which was seen as having abandoned the role of

UN humanitarian and reconstruction efforts in

Somalia did not depend on the general's cap-

ture. But he acknowledged that, because Gener-

al Aidid remained at large. UN troops did not

have control of southern Mogadishu and that it

was possible that the warlord could evade the

in its attempts to arrest General Aidid, Mr.

Asked if the United Nations had been foiled

"I wouldn't call them bungled attempts,

Mr. Howe said there would be "many" more

Richard Bernstein of The New York Times

In an effort to ease strains between Italy and

reported from the United Nations in New York:

the United Nations over the Italian role in the

vidence that China was sending missiles to

Pakistan that, through a technicality, were not covered by the Missile Technology Con-

trol Regime. The accord bans shipment of

missiles with a range above 300 kilometers

190 miles) and a payload of more than 500

kilograms (1.100 pounds).
The officials said the issue was whether the

M-11 missiles could be altered once they had

occasions its position on the so-called ques-

"The Chinese side has stated on many

attempts. "I want him to be worried," he said,

more as opportunities -- real, genuine opportu-

Mr. Howe has indicated that the success of

neutral peacekeeper.

UN manhunt indefinitely.

Howe responded. "Yes."

referring to General Aidid.

■ A Move to Mollify Italians

nities." he said.

air strikes, led by U.S. warplanes, against the general's office has announced that an Italian warlord's strongholds in Mogadishu. Those ac-

peacekeeping operation.

A UN spokesman, Joe Sills, said the appoint-

ment of the Italian officer, Lieutenant Colonel

Salvatore Quarantino, was "not unrelated to

the current events." a reference to the disputes.

But he said the posting was a normal rotation. Italy's defense minister, Fabio Fabbri, de-

scribed the appointment as "a first response to

the Italian requests to take a more active part in

the definition of operational activities in Soma-

secretary-general for peacekeeping, Kofi Annan, announced that the head of the Italian

contingent in Somalia, General Bruno Loi, was

being relieved of his command. The United

Nations complained that General Loi had re-

fused to carry out orders from the UN com-mand in Somalia, insisting that he needed au-

Responding to the order. Italy threatened to withdraw its 2,700 peacekeeping troops. The government later withdrew the threat, but an

Italian official said there was "no question" of

acceding to the demand for the removal of

thorization from Rome first.

U.S. officials have said there is strong statement read. That position is that China critical components and technology, particu-

will "abide by the parameters and guide-lines" of the accord, a ministry official said.

Pakistan denied Wednesday that it had

"We do not believe there is any basis for

this conclusion," a Pakistani spokesman

said. "The fact of the matter is that there is

no conclusive evidence of the transfer, which

is not taking place."

The missile accord, first announced in

1987, is an informal set of export control

The dispute flared last week when the under-

Women who volunteered for the Bassiiis served behind the lines, delivering supplies, cooking, and operating communications links. They also received training in auto-

The Bassijis also reported on suspicious activities or unrest in their neighborhoods and villages.

The government has poured its resources into the organization over the last few months. A recruiting drive is under way in schools and universities, and the group has begun organizing activities like sports events for children and adolescents.

Bassijis have been issued uniforms and new equipment and are now receiving regu-lar military training. They are also opening their own video-rental stores to make sure Iranians watch movies approved by the Is-

"Suddenly, we are being given a lot of support from the government," said Ali Boussivand, 30. "We feel we are as important as we were during the war.

Some members of the Bassij are as old as 70, but the majority are between 14 and 22. Women are playing a less visible role in the Bassij than they did during the war with Iraq. The Bassij, originally formed in 1980 to
The Iranian government usually kept recruit volunteers for Iran's war with Iraq, about 100,000 Bassij volunteers on the front but showing up occasionally to take part in

### has recently been instructed by Islamic cler-ics to gear up for another battle. Incompanies the war with Iraq, and by most accounts they were fearless fighters. Dissidents say the government has tried to Dissidents say the government has tried to use adolescents and the poor to hold onto

power and repress critics. They give 15-year-old boys, or unem-ployed slum dwellers, gims and send them into the streets," a university professor said.
"And of course it goes to their heads. The

Bassijis may have to carry out unpleasant duties, but the payoff is that they have power, and power over the professionals and the elite they believe looks down on them."

In an effort to increase the appeal of membership in the Bassij. Parliament has guaranteed members of the movement 40 percent of admissions to the country's universities, regardless of their academic stand-

But hatred for the Bassijis is widespread.

especially among the young.

"The Bassijis are the garbage of our society," a university student said, turning off the Iron Maiden tape in his Walkman. "Only 15 of 245 students from my high school class joined the Bassijis, and they were the worst students and the outcasts."

Bassii leaders contend that the country's Islamic revolution was carried out by the dispossessed, who now want to ensure that the government remains committed to creating an equitable system.

# **Stirs Storm** In Italy

MILAN - The Italian Justice Ministry began an inquiry Wednesday into the conduct of magistrates who investigated Gabriele Cagliari, an industrialist whose apparent suicide in prison set off a storm over the way an anti-graft probe has been conducted.

investigator, will consider whether the Milan magistrates involved in the case abused their discretional powers, including the right to imprison suspects, a spokesman said. Mr. Cagliari, a former head of

He had spent more than four months in the grim San Vittore Prison in Milan, where he was found dead in his cell Tuesday with

In a note, Mr. Cagliari branded investigators in Italy's anti-corruption probe as psychological tortur-ers. "They treat us like nonpersons, like dogs that are chased back into the kennel," he wrote to his wife.

The chilling letter was published in full by the newspaper Il Giorno, which is owned by ENI. It said Mr. Cagliari, who was 67, wrote the note July 3 with instructions that it should not be opened until after his "return" from jail.

Mr. Ando and Mr. Nicolosi are suspected of having pocketed 350 million lire (nearly \$250,000) each and Mr. Grillo is suspected of taking 120 million line.

larly to the Third World. In the past, the Chinese have said they supplied a short-

range missile to Pakistan but insisted that it

In Washington on Wednesday, the House

of Representatives voted, 305 ot 118, to re-

ject a resolution denying China preferred

trade status, endorsing President Bill Clin-

ton's policy of giving Beijing a year to im-prove its human rights policies.

China has had the most-favored-nation

did not exceed the guidelines.

status for 13 years.

# Jail Death

Ugo Dinacci, the ministry's chief

the energy giant ENI, asked five times to be held under house arrest, but his requests were denied.

a plastic bag over his head and tied around his neck with a shoelace.

Justice Minister Giovanni Conso told the lower house of Parliament Tuesday night that the governmen would "reflect very carefully" on possible reforms to the system.

■ Probe Widened in Sicily The prosecutor of Catania, Sicily, asked Wednesday for the lifting immunity for three members of Parliament, including a former Socialist defense minister, Salvo Ando, suspected of misappropriat-

ing public funds, Agence France-Presse reported from Rome. In addition, Rino Nicolosi, a Christian-Democrat, and Salvatore Grillo, a former Republican, are targets of an inquiry focusing on public contracts in Catania in 1989, especially for school construction.

### WORLD BRIEFS

### UN Extends the Embargo on Iraq

UNITED NATIONS, New York (Reuters) - The Security Council decided Wednesday to maintain its embargo on Iraq, saying that Bagh-dad had not yet conformed to UN demands contained in post-Gulf War

The corrent Security Council president, Sir David Hannay of Britain, said conditions were not right for the lifting of the sanctions, which

include a ban on traci oil exports. Earlier, Baghdad said it would allow long-term monitoring of its weapons program but that it first wanted assurances that an international

### British Brace for Vote on Maastricht

LONDON (Reuter) — The Conservative government of Britain intensified pressure Wednesday on party rebels who have been threatening to give Prime Minister John Major a serious defeat over the Treaty on

Conservative leaders said party "whips" were warning rebels not to risk ruining their careers by voting against the government on the issue Thursday night: Mr. Major will demand loyalty in a make-or-break speech before the vote.

The rebels, who see the treaty as a step toward a European Community superstate are confident they have the numbers to trip up Mr. Major. The government has only an 18-seat majority in the 651-seat Parliament: With up to 25 rebels ready to go against him, Mr. Major may be forced into deals to win a crucial nine votes from rightist Protestant Northern Ireland

### Liberian Objects to Peace Pact Text

MONROVIA, Liberia (Renters) — Interim President Amos Sawyer has discovered the published text of a peace agreement drafted in Geneva last week to end the civil war in Liberia.

last week to end the civil war in Liberia

Mr. Sawyer said changes made after government delegates left Geneva altered disarmament rules and would allow a rebel leader. Charles Taylor, to maintain an armed force for his own protection.

To allow warlords to organize their own armed security after disarmament and demobilization will undermine the basic principles of free and fair elections," he said at a news conference Tuesday. Mr. Sawyer said the text must be revised before the accord can be signed on Saturday.

### Russians Rebuff UN on Sevastopol

MOSCOW (AP) — The Russian parliament issued a rejection Wednes-day of a UN call that Moscow abandon a claim to Sevastopol, the home port of the Black Sea Fleet, the Itar-Iass news agency reported. The agency said parliament, which is dominated by hard-liners, voted down a proposal to suspend a resolution asserting that Sevastopol belongs to

Sevastopol is populated mainly by Russians and is historically a Russian naval city, but it is located on the tip of the Crimean Peninsula.

part of Ukraine.

President Boris N. Yeltsin of Russia and President Leonid M. Kravchuk of Ukraine have agreed to a meeting on a dispute over the Black Sea
Fleet and its home port, it was reported here. The two spoke by telephone
after the United Nations Security Council met Tuesday in New York.

### Moscow Assailed on Rocket Retreat

MOSCOW (Reuters) — The speaker of the Russian parliament, Ruslan I. Khasbulatov, who is a leading critic of President Boris N. Yeltsin, said Wednesday that it would be "a national disgrace" if the government did not honor a controversial sale to India of powerful rocket

Russia had agreed to sell India \$350 million in liquid hydrogen rocket engines and technology but the United States opposed the deal, which it said broke agreements on prevening the spread of missile technology.

Last week, Washington and Moscow agreed that Russia acold sell India some of the engines but not the technology needed to manufacture them. "If the treaty is scrapped, it will be a national disgrace for Russia," Mr. Khasbulatov declared as he opened a regular session of padiament.

### Swedes Debate Delay in Joining EC

STOCKHOLM (Reuters) - Sweden's debate on the European Comstruck Hollm (Renters) — Sweden's depart on the European Community gained new controversy Wednesday after an opposition leader said it would not be a "catastrophe" if membership was delayed by a year. Ingvar Carlsson, leader of the Social Democrats, who launched Sweden's EC membership talks, said Tuesday: "It would not be a catastrophe if Sweden, which aims for a good negotiation result rafter than quick solutions, focuses on membership from Jan. 1, 1996, instead of one year surface."

Eritory of

The state of

Prime Minister Carl Bildt, a Conservative whose government plans to finish membership talks by the end of this year and hold a referendum in 1994 for membership in 1995, responded by saying that the Social Democrats should decide whether they are for or against joining the EC.

### Israeli Threatens Attack on Lebanon

JERUSALEM (AP) - Israeli troops may be forced to wage an assault on Muslim guerrilla bases in Lebanon if Muslims' attacks persist, the army chief of staff was quoted as saying Wednesday. In Lebanon meanwhile, Defense Minister Mohsen Dalloul warned that the nation

would mobilize to confront a large-scale invasion.

"Of course we will not stand idly by in the face of aggression." Mr. Dailoul said in an interview broadcast by the Beirut-based Voice of Lebanon radio. "We shall fight with all means at our disposal," His comments - and earlier warnings from Syria - came in response to reported statements from the Israeli Army chief of staff, Lieutenant General Ehud Barak, that Israel would sooner or later try to wipe out the

### For the Record

The Serbian opposition leader Vuk Draskovic, recovering from serious injuries and a hunger strike in prison, arrived in Paris on Wednesday with his wife, Danica, for medical treatment and thanked France as a "champion" of efforts to have him released.

### TRAVEL UPDATE

American Airlines said it may delay until next spring a service between Philadelphia and London's Heathrow Airport. American said the British government was unwilling to grant the take-off and landing times used previously by USAir when it flew the route.

(Bloomberg)

China's campaign against train crimes has scored major successes and restored a sense of security among passengers, the China Daily reported Wednesday. Since mid-March security officers have foiled 466 robbery cases, broken up 106 gangs and arrested 410 criminals, the paper added quoting the Ministry of Transportation. (AFP

CityFiver Express, a small airline with a handful of European routes. will begin flying as British Airways Express, the companies announced Wednesday. Under a five-year deal, CityFlyer Express planes, based at Gatwick Airport near London, will be painted like British Airways jets, and the airline's uniforms and catering will be similar. The airline serves Antwerp, Belgium; Rotterdam; Dublin; Düsseldorf; the Channel Islands, and Newcastle, England.

(AP)

### occasions its position on the so-called ques-tion of M-11 missiles." the Foreign Ministry ballistic missiles by curbing the supply of slow the spread of missile technology. BABIES: The Chinese Are Using 20th-Century Technology to Maintain Their Age-Old Preference for Boys

received M-11 missiles from China.

in defiance of the accord.

said in a statement.

to marry, instead, they are obsessed simply with the first part of the equation: having sons. Grandsons are important too, but first hey want sons.

When my wife was pregnant last year, she asked me what we would do if it turned out to be a girl," recalled Zhang Zhiquan, a 25-year-old boztman on the Yangtze River, "I said that would be no problem; a girl is as good as a boy. But my wife was still worried."

The baby turned out to be a boy. and perhaps that is why Mr. Zhang sounded so magnanimous about girls. Asked if he and his wife would have considered killing the newborn baby if it had been a zirl. he considered the matter thoughtfully before shaking his head.

"We wouldn't have killed the baby, because it would have been easier to give her away for adoption," he said. "Then we could have tried again."

times of famine. But over the last 15 years, there have been two major

reached Pakisian.

changes in the situation. The first was the introduction at the end of the 1970s of strict family planning rules that limit each couple to one or two children. That makes parents fearful of "wasting" their quota on a girl

This is particularly true since the authorities began a tough crackdown two years ago on unauthorized pregnancies. Based on data from last year, the average Chinese woman could be expected to have only 1.73 children in her lifetime. That is by far the lowest fertility rate in Chinese history, even lower than the government's fertility target for the year 2010.

The second change is the spread of ultrasound scanners. China manufactured its first ultrasound machine in 1979, and by the end of mographer estimates that 100,000 altrasound scanners were in place around the country by 1990. not the only reason the sex ratio is

China Rebuffs U.S. in Dispute Over Missile Sales to Pakistan

This tradition of favoring boys the 1980s it was making 10,000 an- importance that peasants attach to sons, without even considering the were desperate for a son, and so occasionally led to female infanti-cide in the past, particularly in 2,000 each year. One Chinese de-"There are just two important things in life now - making money

and having sons," explained Y.S. Liang, a 30-year-old father of two Abortions of female fetuses are in a village in Fujian Province. "We believe that boys are more

### There are just two important things in life now --- making money and having sons.' A villager in Fujian Province

skewed: underreporting of girls, important than girls," he contin-abandonment, "gifts" of baby girls ued. "You've got to pass on your own and, to a lesser extent, infanti- and you need a son to do that." cide all play a role. But Chinese and foreign population specialists believe that ultrasound is a major

tion is rooted in the overwhelming

to relatives who adopt them as their heredity, continue the family line, marry into the family of their husbands and are considered to have left the family of their parents. Ask Why do couples go to such an elderly farmer how many grand-lengths to have a son? The explana-children he has, and he will always

In Chinese tradition, women

offspring of his daughters. Until about a century ago, rural

girls were often not even given names. Instead they were called that," Mr. Chen added proudly, "eldest daughter," "No. 2 daugh-"Now technology is changing ter" and so on. Even the mother of Deng Xiao-

a child she was called "eldest kid," position. Only in the second trimesand later she was known simply by ter, when an abortion is a much her surname, Dan, and called more complex procedure than it is at the beginning of pregnancy, can These days, girls all get names.

but in rural areas they are occasionally ones like Laidi or Zhaodi, both meaning "bring a younger broth-Sons are preferred because it is

believed that they can do more work in the fields. peasant in a hamlet of a few hon-

they kept on having another child in hopes that it would be a son." "But now you don't need to do

ping. China's 88-year-old senior the shape of the external sex organs leader, never had a given name. As only if the fetus is in the right a doctor make even an educated

An ultrasound scan will reveal

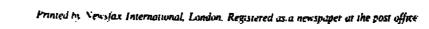
guess about the sex of the fems. There are many stories of women going to clinics late in the second imester to ask for abortions, even though they have government permission to give birth. Usually, the fetuses turn out to be female, but when one is male - about 20 per-"One family here in the village cent of the time, presumably behas five girls," said Y.C. Chen, a cause the ultrasound operator. made a mistake - the mother may dred people in the southern part of become hysterical with shock and tell you about the children of his coastal Fujian Province. "They grief.

### Vilnius Cabinet Of Nonsmokers

VILNIUS, Lithuania -The health minister of Lithuania, Jurgis Bredekis, said Wednesday that he had persuaded his fellow cabinet members to give up smoking in an attempt to create the world's first "tobacco-free government."

"It was not easy to convince the ministers to sign an agreement not to smoke," the former beart surgeon, 64, said in a telephone interview. Mr. Bredekis said only 2 of the 17 members of the caoinet had never smoked.

"But I'm happy that we have probably the first nosmoking cabinet in the world." Mr. Bredekis added, Lithuamans are heavy smokers.



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# STATESIDE / HIGH WATER

Gineburg Weighs in on Abortion

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S. A. Sala

WASHINGTON - President Bill Clinton's nominee to the Supreme Court, Judge Ruth Bader Ginsburg, indicated Wednesday that she strongly supported abortion rights and believed in a consti-

tutional right to privary.
"It's her body, her life," Judge Ginsburg, 60, told the Senate Judiciary Committee during the second day of confirmation hearings. "Men are not similarly situated. They don't bear the children." Judge Ginsburg defined the constitutional privacy right as the right to be left alone by the

government and to make decisions. The Supreme Court based its 1973 roling that legalized abortion on a constitutional right to privacy. Some critics have argued there is no such right, and Judge Ginsburg has questioned the wisdom of basing the ruling on that right. (Renters)

### Clinton: is Anybody Listening?

WASHINGTON - After six months in office, President Bill Clinton says "the thing that has surprised me most is how difficult it is to keep his message squarely before the country.

Giving an example in an interview on CNN, the

president said poils had shown that Americans were most knowledgeable about the details of his plan to cut the budget deficit when he introduced it on Feb. 17. Since then, the air has become clouded with criticism of the plan, which is in the final stages of congressional consideration.

I have lost the ability to make sure everybody

knows the things I want them to know," Mr. Clinton said. "And I feel very badly."

He also said he constantly had to fight the

isolation brought on by the requirements of security and the need to discipline the way he uses his time. "Discipline means deciding things you won't

do, people you won't see, calls you won't make," he said. "But if you don't spend some time with just ordinary people who tell you what they think —
hey, you almost forget how to hear and how to
listen and how to speak in the way that most people live."

### **Black Group Warms to President**

WASHINGTON - President Bill Clinton sought to smooth over strained relations with black lawmakers in a meeting Wednesday that members of the Congressional Black Caucus said

represented a new beginning."

It was the first time that the president had met with the 39-member group since he withdrew the nomination of Lam Guinner to be assistant attor-ney general for civil rights in June. Members had refused repeated entreaties from Mr. Clinton to meet with them to mend fences and had even threatened to withhold support for the final budget

"Wounds take time to heal, and we wanted at least a period to allow cooler heads to prevail, said the caucus chairman, Representative Kweisi Mfume, Democrat of Maryland, after the 90-min-ute meeting with the president. He said that, while he still felt the Guinier nomination had been "botched," he was pleased with Mr. Clinton's promises to be more sympathetic to the concerns. of minorities in the future.

### Quote/Unquote

President Bill Clinton on the apparent suicide of Vincent Foster Ir., a close friend and deputy White House Counsel: "My deepest hope is that whatever drew Vince away from us this evening, his soul will receive the grace and salvation that his good life and good works earned."



SENATORIAL EMPATHY — Senator Joseph R. Biden Jr., Democrat of Delaware, left, welcoming Senator Arien Species back to the Judiciary Committee. The Pennsylvania Republican was returning after brain surgery. Senator Biden had a similar operation several years ago.

### **Away From Politics**

ed, and workers will be ready again Saturday to send five astronauts aloft on a satellite delivery. mission, the U.S. space agency said. The first lannch was halted when a switch failed in the system of bolts that holds the shuttle on the pad until its booster rockets ignite.

 Electronic cavesdropping by law-enforcement agencies, mostly on drug cases, has increased sub-stantially and captured about 1.7 million conversations from 919 wiretaps in 1992. The number of court-authorized wiretaps and other forms of electropic surveillance was 578 in 1982, according to the Administrative Office of the U.S. Courts. The number of intercepted conversations from those wiretaps was 600,000 in 1982.

• A Missouri man convicted of accepting \$6,000 for murdering a woman in 1979 has been executed by injection. Walter Blair, 32, was found gmilty of shooting a 21-year-old woman to keep her from testifying at a rape trial, whose defendant, Larry Jackson, had hired Mr. Blair.

The habitat of the grizzly bear is being harmed by heavy logging and road building around Yellow-stone National Park, an environmental group contends in hawards filed against the U.S. Forest Service. Undeveloped corridors linking the 2.2-million-acre (880,000-hectare) park with six na-

tional forests are essential for the several hundred remaining grizzlies to survive, the group says.

• The man who says he holds a lottery ticket worth \$111 million has asked a judge in Fond du Lac, Wisconsin, to allow him to split the winnings with his fiancée. State law requires a court order to divide the prize. Leslie C. Robins and Colleen DeVries "are cooperating with the attorney general's office to get the necessary court order," their

attorney says. • A man used a pocket knife to back his leg off below the knee after a tree rolled onto him while he was clearing timber. Donald P. Wyman, 37, of New Bethlehem, Pennsylvania, then crawled 60 yards to a tractor, rode to his pickup truck and drove about two miles for help.

• A man accused of shooting into a crowd at a Washington, D.C., swimming pool last month has had the case against him dropped because of weak and contradictory evidence, federal prosecutors said. Although they were not explicit, they suggested that detectives had conducted a faulty investi-

• An 11%-foot python kept as a family pet was probably responsible for strangling a 15-year-old boy, according to the police in Commerce City, Colorado. The snake was found near the boy's Reuters, A.P., A.F.P., W.P. body.

# A Libya Dilemma for Lawyers

### 2 Lockerbie Suspects Seek Legal Aid in U.S., Quietly

By Sharon Walsh

Washington Post Service after criticism from WASHINGTON — For Plato Cacheris, it began 103 and others.

washington — For Pisto Cachens, it began when a Libyan businessman came to his Washington law office and asked him to visit Libya.

For Jonathan D. Schiller, it began as he was having dimer with a client and other lawyers at the Hôtel Bean Rivage in Lausanne, Switzerland. An American businessman americand and asked him is housing. businessman approached and asked him if he would

businessman approached and saket init it is would meet with a representative of Libya.

In both cases, Libya used intermediaries to get Washington attorneys to discuss representing the two Libyan intelligence officials charged with planting the bomb that killed 270 people when Pan American World Airways Flight 103 exploded in December 1988. over Lockerbie, Scotland.

Their stories and others like them offer a look at the unusual dealings between Libya, which is under United Nations sanctions, and American lawyers.

The two suspects, Basset Ali Megrahi and Lamen Khalifa Fhimah, are being detained in Libya. They-have lived the Washington law firm of Flynn & Riley to represent them should they decide to come to the

In addition to Mr. Cacheris and Mr. Schiller, Brendan V. Sullivan Jr., Thomas H. Boggs Jr. and John Culver are among those who have had at least prelimians, the lawyers or their partners have confirmed.

Mr. Sullivan. Mr. Boggs and Mr. Schiller declined. Mr. Cacheris and Mr. Colver went to Libya to discuss representing either the government or the two individuals but did not take the case or were not retained. George Bush, and his law firm, Hughes Hubbard & the payment.

Reed dropped the government of Libya as a client after criticism from the families of victims of Flight

Mr. Sofaer had been involved in the Pan Am case when he was at the State Department, from 1985 to 1990, and was one of the architects of the U.S. 1986 economic sanctions against Libya in response to Colo-nel Moammar Gadhafi's promotion of international

"Under our system, everyone is entitled to counsel," Mr. Cacheris said. "If someone is interested in seeing this situation resolved, they should not be critical of lawyers who might represent these individuals."

A meeting with a potential Libyan client can be difficult to arrange. One must get a visa from the State Department and a license from the Treasury Department detailing the business to be conducted.

Because of the sanctions, a U.S. resident cannot fly directly to Libya. The journey takes several days.

Mr. Cacheris, for example, first met a Libyan contact in London (who promised to get him back out of Libya), then flew to Malta and then took a six-hour United States. Both were indicted on 193 felony boat trip across the Mediterranean to Tripoli. There charges, including 3 that carry the death penalty. he met for four days with Ibrahim B. Legwell, the private Libyan attorney for Mr. Fhimah and Mr. Megrahi, and the two men.

"I met them in their homes, where they're under nary discussions about doing legal work for the Liby—some sort of house arrest," Mr. Cacheris said. "I are the largers or their partners have confirmed.—explained to them what would happen if they came here for trial. They were interested in knowing whether we use torture in this country, whether they'd be threatened, beaten."

Mr. Cacheris's trip was paid for by the Libyan Last work. Abraham D. Sofact, a legal counsel, businessman, whom he declined to identify, and Mr. two crewmen and injuring the oth-under the administrations of Ronald Reagan and Cacheris was required to file a report with Treasury on er crewman and six sailors, military

# Economically, U.S. to Keep Its Head Above Water

By Lawrence Malkin

International Herald Tribune NEW YORK - The sight of vast flooded plains in the Midwest may give an impres-sion of an economy under water, but aside from the heartbreak of those inundated by the swollen rivers, the economic impact on the nation is likely to be small - much less than that of past droughts or even the hurricane that devastated South Florida and Louisiana lest year.

As damage has mounted, fresh calculations of the cost of the flood by disaster experts have ranged as high as \$8 billion to \$10 billion. Many economists label this a

nanic calculation. Crop losses, mainly in corn and soybeans,

are estimated at a bit more than \$2 billion. About 30,000 homes have been lost or damaged, one-third of the number affected in the hurricane, designated Andrew, that hit South Florida and Louisiana in August 1992. Other flood losses come from factory closings and transportation delays, which are not major

when considered on a national scale. Those directly affected by flooding will

in economic activity, said Robert Schnorbus, regional economist at the Federal Reserve Bank of Chicago, who declined to put a

price tag on the flood, As a portion of the national economy, the flooded area is relatively even smaller "because it's mostly farmers, and practically nobody lives there," said Cynthia Latta of DRI/McGraw Hill. She estimated that the effects on the nation's gross domestic product "are the kind that get lost in the statistical rounding anyway."

The population of the flooded five-state area is less than half that of Chicago. The personal income of Iowa, the hardest-hit state, makes up only I percent of the nationwide total. Only its riparian areas have been severely affected, and waterlogged fields are not in disaster status,

The flood area is restricted geographically. The Southeast has been suffering drought and also will report crop loss. And only 200 miles downriver in the classic floodplain of

pay a terrible cost, but the effect on the are irrigating at the Delta Pine and Land Co. percent, imports from Brazil could easily Midwest in general appears relatively minor farm in Scott, Mississippi, one of the countake up the slack. try's largest cottonseed producers.

The sharpest national impact lies potenlost in the overall consumer price index. DRI/McGraw Hill estimates that food prices alone will rise at most an additional 0.4 percent during the next year.

The main action would be in poultry and egg prices, but meat prices might even come down as farmers cull their berds to avoid high feed prices. Even in the 1988 Midwest drought, where losses were estimated at \$13 billion, the effects "disappeared into a few decimal points on the food index." said Robert Dederick, chief economist at Northern

Trust in Chicago.

Most corn and soybeans are exported or U.S. government holds a surplus corn reserve of more than 2 hillion bushels - about onequarter of the annual crop. Prices of corn futures have barely budged from their April-May averages, while soybean futures, where the Mississippi delta cotton country, workers supply is tighter, have risen 15 percent to 17

The replacement of houses is a more thorny problem. Most of the real estate damtially in food prices, but even that may be aged in the 1992 hurricane is being repaired or replaced with the help of federal or private disaster relief or insurance payments, and the Federal Reserve Bank of Atlanta estimates the total boost to the Southern econo-

my could be as high as \$25 billion. But for the Midwest floods, President Bill Clinton has so far proposed emergency relief of only \$2 billion, and up to 80 percent of the. houses did not carry flood insurance because they counted on a federal bailout, That may not be forthcoming in these deficit-cutting times, and Mr. Schnorbus said many of the

30,000 damaged homes may not be rebuilt. Most corn and soybeans are exported or used for animal feed, and in any case the federal flood insurance, essentially a porkbarrel handout underwriting those in high-risk areas, is reined back because, as Mr. Schnorbus said, "The true cost of reclaiming that land from the occasional megaflood like this one is finally factored into the govern-

### **RIVER:**

### Problems Ahead

Continued from Page 1

is fluctuating, bouncing up and down by inches at different times

during the day.

The Mississippi bulged to its second crest Tuesday in as many days, reaching a record 47.1 feet (14.35) meters) at St. Louis, or more than 17 feet above flood stage. It retreated to 47 feet Wednesday.

Even without new rains, a 480-

mile (775-kilometer) stretch of the Mississippi from Dubuque, Iowa, to the mouth of the Ohio River is still above flood stage. Towns be-low St. Louis are still frantically piling up sandbags as they wait for the crest to make its way down-

Things are looking better, but we're not out of the woods," said Ross Fredenburg, a spokesman for the Army Corps of Engineers, at the Rock Island, Illinois, district. "There's a lot of water still up against those levees."

For the first time in weeks, many residents of the Midwest are beginning to look to the agonizingly slow recovery to come.

But, just as a second crest at St. Louis has disheartened those thinking the worst had passed, almost everything about the recovery from the flood will come at a slower pace and a higher price than people orig-

mally thought.
"The river will take 16 days before it will go below 40 feet in St Louis," said Bob Anderson, a spokesman for the Corps of Engineers. "It will be at least Aug. 15 before traffic can flow on the river. and 10 to 15 days before people can get close to their homes. The flood is just the beginning of the trou-

Flooding since the start of June in the region has contributed to at least 32 deaths.

Officials in cities and towns say it is far too early to assess damages because so much of the area along the river is still underwater. The and West Quincy, Missouri, that was flooded Sunday will be closed at least 30 days, officials say.

For flooded-out homeowners like Miss Chandler and Karen Pierce, another resident of the St. Charles Mobile Home Community, it is hard to know which is bleaker, the knowledge that they will not be able to return home for a month or the thought of what they will find

when they get there.

They will return to a stinking world of river mud polluted with diesel fuel and sewage that will al-most certainly have ruined all their possessions and made their homes

Experts on disasters say flood damage, while often not as dramatic as that from burricanes or tornsdos, is often more complete.

"Floods are worse than just about anything" said Tim Marshall, a damage consultant with Haag Engineering Co. "You've got all this silt and mud in your house that destream greathers are consultant. that destroys everything you own. At least in a tornado, you can go around and there are things you can find, a wedding picture, some-thing that's still intact. In a flood, it's all ruined."

For farmers, whose livelihood as well as homes are at risk, the recovery is that much rougher.

William Heffernen, a professor of rural sociology at the University of Missouri, said the recovery for some farmers would be particularly rough because damage to fields crops, levees and equipment would make it difficult to be ready for next spring's crops. So the flooding could cost them two crops instead

Mr. Heffernen said the psychological impact on farmers would be long-lived and corrosive, particularly once the floods fade from the headlines and the farmers are left with their problems.

"One thing that concerns me a bit is we know depression is conta-gious," he said. "It moves among family members, it can move into the community. We saw this in the farm crisis of the 1980s, and we've seen it before. A hurricane hits a pretty geographically concentrated place. Here we're stringing people out along hundreds of miles of river, and a lot of them are going to

### U.S. Jet Crashes on Carrier

Agence France Presse SAN DIEGO - A U.S. Navy F-14 fighter jet crashed on a carrier in the Indian Ocean, killing one of the

# Broader Warning on Dangers of Passive Smoke

WASHINGTON - The Environmental Protection Agency urged parents Wednesday not to smoke in their homes and said children and nonsmokers should be protected from secondhand smoke.

The agency, following up on its classifica-tion of secondhand smoke as a serious cancer threat, said restaurants and bars that allow smoking should only designate smoking areas

with some knowledge of the ventilation characteristics of the space, to minimize nonsmoker exposure."

Simply separating smokers and nonsmokers within the same area, such as a cafeteria, may reduce exposure, but nonsmokers will still be exposed to recirculated smoke or smoke drifting into nonsmoking areas." the agency's administrator, Carol M. Browner. said in testimony prepared for a congressio-

The agency "firmly believes that the scientific evidence is sufficient to warrant actions to protect nonsmokers from involuntary exposure to secondhand smoke," she said. In its earlier report, the agency had said children especially were at risk of lower-

respiratory infections such as pneumonia and bronchitis. As many as 300,000 lower-respiratory infections in American infants and children are caused by secondhand smoke each year, the agency said.

# 2 Say Abuse Drove Them to Kill Parents

LOS ANGELES - Two wealthy Beverly Hills brothers now admit that they walked into the living room of their home four years ago and leveled shotguns at their parents, who were seated in front of the television set, spraying them with gunfire.

But they contend that they did so in selfdefense after their parents had abused them sexually and psychologically for years.

The murder trial of Lyle and Erik Menendez began Tuesday in Los Angeles County Superior Court after three years of legal debate over the admissibility of a psychotherapist's tape-recorded notes of a session in which one of the brothers confessed to the killings. The California Supreme Court ruled the tapes admissible.

The deaths on Aug. 20, 1989, of José Menen-dez, 45, a Cuban emigré who had become a successful entertainment executive, and his wife, Kitty, 47, shocked the quiet, manicured neighborhood where they lived in a \$4 million

The brothers could be sentenced to death if

the two juries, one for each defendant, find them guilty. The prosecution contends that the brothers shot their parents from behind as the parents sat on a couch in the living room. Mr. Menendez was shot five times, once in the back of the head, and Mrs. Menendez was shot 10

The sons initially said they were not responsible for the killings. But the case took an unexpected turn in recent weeks when the defense contended that the brothers had killed their parents because they feared for their lives after having confronted their father with what lawyers described as a harrowing ordeal of

In her opening remarks to jurors, Jill Lansing, the attorney for Lyle Menendez, now 25, said his father had sexually abused Lyle be-tween the ages of 6 and 8 and had molested Erik, now 22, for 12 years, until shortly before

sexual, physical and mental abuse over many

When Lyle confronted his father a few days before the killings over his alleged abuse of

enraged and made it clear that "people who had. this secret would not be allowed to live."

Erik's attorney, Leslie Abramson, described

years of sexual abuse, sodomy and sadism that

she said Mr. Menendez inflicted on her client. The prosecution maintains that the brothers acted out of greed, hoping to inherit their parents' \$14 million estate. The prosecution's star witness is expected to

be Dr. L. Jerome Oziel, the Beverly Hills psychologist to whom Erik Menendez is said to have confessed on Oct. 31, 1989.

Dr. Oziel called Lyle Menendez to his office during the session, and when Lyle found out about his brother's confession. Ms. Bozanich told the jurors, he "became extremely agitated and informed those present that Erik's confession had been stupid and that now it would no longer be the perfect murder."

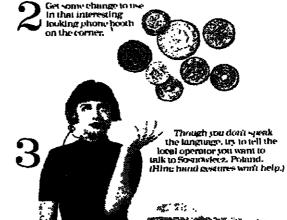
In other sessions with Dr. Oziel, the brothers made no mention of sexual or mental abuse by their parents, and Lyle described the father as "basically a moral person," the prosecutor said.

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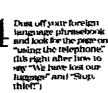
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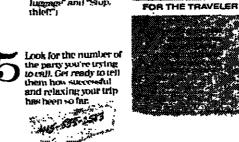




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### **Prison Produce From China**

It is illegal for American companies to import goods made by prison labor. According to human rights groups. China continues to make products for the export market in its prison factories, and U.S. companies continue to buy them. While the Chinese authorities say they have stopped the practice, there is strong evidence that they have not.

The human rights group Asia Watch testified before a congressional committee earlier this year about conditions in prison factories. A recently imprisoned student told Nicholas D. Kristof of The New York Times last weekend of his experiences in a prison factory that made Christmas tree lights (not a popular item in China) and in a mine producing fine clay for export to Western countries.

Last year, China and the United States signed a memorandum of understanding on the export of goods made by prison labor. The wording of the memorandum is vague, but it provides for visits to workplaces by "responsible officials." So far. Chinese authorities have not been cooperative in allowing inspection of suspected sites. But then, U.S. Customs has assigned only one agent to the whole country. who is not even based in China. An agent will be assigned to the embassy in Beijing in the

fall, according to the State Department. If the Clinton administration is serious in its commitment to this principle, there are

• The United States clearly needs more inspectors. Congress has signaled its willingness to appropriate more money for this purpose.

 Other legal weapons are available, and the United States might well invoke them. Under the Trade Act of 1974, goods made in conditions that violate workers' rights may not be imported. Asia Watch accuses China of mixing prison-made goods with legitimate exports to confuse foreign clients. Some categories of goods, such as cotton textile products, are often made in prison factories. The administration could selectively raise

tariffs on such categories of goods.

• The administration could require U.S. importers to specify where they obtain their products. And it should not retreat from the executive order that President Bill Clinton issued last May, in which he linked compliance with the agreement on prison labor with a continuation of China's favored trade status beyond next July.

John Shattuck, assistant secretary of state for human rights and humanitarian affairs, is expected to visit China next month to discuss the agreement. Mr. Shattuck could ask to see sites that the Chinese authorities have so far refused to show American inspectors. The administration can also use the visit to signal to the Chinese that, unlike its predecessors, it is taking this issue seriously.

- THE NEW YORK TIMES.

### The Rostenkowski Case

Other Comment

When the former U.S. attorney Jay Stephens was asked as a Republican to submit his resignation to the new Democratic administration earlier this year, he suggested that the request might be part of a Democratic effort to derail an investigation of the chairman of the House Ways and Means Committee, Dan Rostenkowski. Mr. Rostenkowski was regarded as crucial to the enactment of President Bill Clinton's legislative agenda. Mr. Stephens's office was investigating whether Mr. Rostenkowski had broken the law in certain financial transactions involving. among other things, the House Post Office. The prosecutor implied on his way out that perhaps the Democrats were plotting to call the prosecution off.

Some plot. Under Democratic auspices. Mr. Stephens's former subordinates and acting successors have done just fine. They have wrung a guilty plea from a former House postmaster, Robert Rota, that he helped several members of Congress embezzle funds from the post office. Court papers filed in connection with the plea suggest without naming him that Mr. Rostenkowski is one of the members Mr. Rota is accusing. We shall see what happens, of course. Mr. Rostenkowski has not been charged, and throughout the long investigation he has denied that he did anything wrong. But on the record so far, the Democratic Justice Department seems to be proceeding about as it ought to proceed with regard to this senior Democrat. Regular order, no pulling of punches.

There is a lesson in that, perhaps for both parties. Congress is even now moving to extend the lapsed independent counsel statute. providing for independent investigation and prosecution of senior executive branch offi-cials credibly accused of crimes. The theory is

Japan's Bureaucracy Endures

The scandal-ridden Liberal Democratic

Party lost its majority [but] retains by far the

largest representation of any party. Prime Minister Kiichi Miyazawa is balking at de-

mands that he resign and may try to form a

coalition with one or more of three new par-

ties which, like the LDP, are conservative but

which are professedly more committed to a

"new" Japan. Whatever combination

emerges. Americans ought not to expect any

early changes in Japanese policy toward the United States. On security issues, that is wel-

come. On economic issues, including trade.

the outlook remains unclear. However much

most Japanese want change, including a more

open economy with greater emphasis on rais-

ing the quality of life, the country's perma-

nent, conservative and nationalist bureaucra-

cy is likely to continue acting more as a brake

than an accelerator. That likelihood seems

even greater since Japan may have relatively

weak, unstable coalition government for the

"Man will never, ever control this river

never. You might as well get used to it. Even-

tually levees burst. This is no ordinary river.

you know. It does what it wants, whenever it

wants." River people like Ted Blaylock, who

is quoted above, understand this basic fact of

nature. His family has farmed along the rich

Missouri bottomland of the Mississippi River

since the 19th century. No levee or other form

of flood protection can harness what Native

Americans called the "Father of Waters"

when it is swollen by massive amounts of rain.

- The Bultimore Sun.

International Herald Tribune

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JOHN VINOCUR, Executive Efficat & Vice President

The River Will Have Its Way

- The Sacramento (California) Bez.

foreseeable future.

September 1 Septem

that no administration can be expected to prosecute itself impartially at the highest levels; it would have a conflict of interest. Past administrations have nonetheless protested that the law encroaches on executive prerogative. To its credit, the Clinton administration

has taken the opposite view.

But the question then is whether the law should also be broadened to apply to Congress. Can a party in power be trusted to prosecute its senior members in the legislalive branch any more than the executive? The current case is a kind of test. So far it confirms us in our view that the answer is "yes," that the regular prosecutorial system can be trusted and that the act should be limited to the executive branch.

As to Mr. Rostenkowski, he continues as Ways and Means chairman to serve as the principal House conferes on the huge bill to reduce the deficit; he met with the president on the measure on Tuesday. It is awkward, but we see no cure. If indicted, he will have to step aside. But surely a member maintaining his innocence cannot be compelled to step aside before, on the strength of no more than even a flourishing investigation. Our own sense is that, in purely legislative terms, less is at stake in this case than lore would have it. We recall that there was much rending of garments when former Senator Lloyd Bentsen gave way to Daniel Patrick Moynihan as chairman of the Senate Finance Committee, which has the same jurisdiction as Ways and Means, and lo and behold, Mr. Moynihan did just fine. So, if the need arises, will any successor to Mr. Rostenkowski, important as he has been to the president in the budget process. Justice may be at issue here; the president's legislative agenda is not.

- THE WASHINGTON POST.

An Islamic Rescue for Bosnia?

In recounting how huge swaths of Bosnia-Herzegovina were grabbed by Serbia and Cro-

atia, there is one easy question: Who defeated

the Muslims? Answer: the United Nations Se-

curity Council. The Western-dominated body

maintained an arms embargo on the breaksway

republic knowing full well that Bosnian Serbs

enjoyed an overwhelming advantage in heavy weapons, thanks to their backers in Belgrade.

That set the stage for the wholesale banish-

ment, violation and slaughter of the hopelessly

outgurned Muslims. More than the West's

dithering, it is this monstrous act of interven-

tion in the Balkans — yes, stopping the flow of arms is intervention — that has stained the

Sixteen members of the Organization of the

Islamic Conference have decided belatedly to

wash off a bit of the red. At the OIC ministerial

meeting in Islamabad, they agreed to offer a

force of some 17,000 men to protect Muslim

"safe havens" designated by the United Na-

tions. They should also send desperately need-

ed weapons and ammunition to Muslim mili-

tias. While long and tragically overdue, heeding

the call to arms, reiterated by Bosnian Foreign

Minister Haris Silaydzic in Islamabad, is the

The Muslim world must act where Christian

nations have faltered. To get heavy weapons and troops to Bosnia, the OIC should be ready

to challenge the Security Council arms embar-

go. It must also pressure the West to drop its

pretensions to neutrality, lean hard on the

Scrbs and Croats, and secure the best deal

possible for the Bosnian Muslims. If and when

a lasting cease-fire takes hold, the Islamic Con-

ference will have to contribute men and re-

- Asiaweek (Hong Kong).

sources for the reconstruction of Bosnia.

republic's last chance to stay on the map.

world with the blood of Bosnia.



### Saddam: Release of Hostages Could Benefit Iragis

logical and honorable first step for Iraq's pariah president, Saddam Hussein, to take now if he wants to end confrontation with the Western nations and begin to end the Iraqi

people's multiple miseries.

The step has nothing to do with Iraq's face-off with United Nations weapons inspectors over monitoring its missile sites. Nor is it connected with Iraa's other discussions with the United Nations on permitting sales of a limited amount of Iraqi oil, using the income to meet costs of tirgently needed food and medicine and of UN

operations in Iraq.

The step would be to begin releasing at once the Arab and Western prisoners Saddam has been again accumulating, almost unnoticed, in the last few months.

The Westerners he has, by my count, include an American, three Britons, three Swedes, a German, a Frenchman and an Italian. Other prisoners in Iraq include Egyptians, Pakistanis, Thais and Filipinos. Most were seized near the Kuwaiti or Turkish borders and condemned to long terms in traci prisons for illegal entry.

More and more, these nearly forgotten people - the American, for example, is Kenneth Beaty of the Kuwaiti-owned Santa Fe Oil Company, capBy John K. Coolev

tured last spring and condemned to eight years in an Iraqi jail —are begineight years in an iran jan — are begin-ning to look like players in a rerun of Saddam's diabolical "human shield" drama of 1990. After quickly conquer-ing Kuwait, he kept hundreds of foreign men, women and children as hoss, until such visitors as former British Prime Minister Edward Heath prevailed on him to see reason.

This time - while still holding, according to Kuwait, hundreds of Kuwaiti soldiers and civilians miss-ing since the allies freed Kuwait in Operation Desert Storm - Saddam's men are raiding inside Kuwait for

more captives.

There are others, taken inside Iraq. An Egyptian woman detained for aflegedly collaborating with UN weap-ons inspectors returned home last Thursday after Arab League inter-vention. Fatma Ali Mohammed 48, told people waiting for her at Cairo airport that her captors had tortured her. She showed scars.

Jean-Luc Barrière, a Frenchman working for a French electronics firm in Kuwait, managed recently to tell of his capture and eight-year sentence to two newsmen allowed to visit him in prison. He said he and a Moroccan colleague held with him were talking

about 30 meters from the fragi border when they were forced by Iraqi sol-diers at gunpoint to cross. Later, he said, they were obliged to say they had

strayed over the frontier.

Last winter the Swedish government, anxious to recover three Swedish telephone engineers captured in-side Kuwait and jailed for eight-year terms in Baghdad, began quietly sup-plying much-needed humanitarian medical aid requested by Iraq. Stock-holm charities sent something like a million and a half dollars worth. Saddam Hussein's half-sister, reported Swedish newspapers, was given free treatment for cancer in a private Swedish clinic

All of this was halted when iraq let it be known that more was required from Sweden for the three Swedes' release. This is blackmall, said the Swedish government in effect, and there would be no more.

there would be no more.

The ill-timed American cruise missile attack on Baghdad on June 27, proclaimed as revenge for an alleged (the trial of the perpetrators in Kuwait had not ended) plot against the life of ex-President George Bush, did not help matters. Among the Iraqi victims are I sile Atter a distinguished stronger. was Laila Attar, a distinguished worncan feeling in Iraq and eisewhere, and could not have helped Saddam's new "human shields," although it boosted President Bill Clinton's domestic poll

and logic by releasing them, now. This could be an extremely important sesture toward raising compassion in the outside world for the truly severe

ada's most prestigious humanitarian award, the Lester B. Pearson Peace Medal, for his work to help Iraqi women and children. He says in a report prepared for Unicef: "In 1993 ... the huge majority of the population subsists in a state of extreme hardship where health care, nutrition, educa-

Only Saddam Hussein and those of his advisers who might dare to stand up to him on this issue can begin edying the situation, by letting the hostages go home.

The writer, an ABC News correspondent and Middle East specialist. contributed this comment to the Inter-national Herald Tribune.

# Gadhafi: Unlikely Help With His Public Relations

By Jim Hoagland

WASHINGTON — "The Sofaer case is the tip of a very big and interesting iceberg," said a caller who had just read my column about Libya hiring the former State Department legal adviser as its lawyer (Opinion, July 15). Keep digging on Libya's charm offensive, and look for the

Israeli connection. The caller is correct. Abraham D. Sofaer's aborted big-bucks contract with Libya, which he abandoned on July 16, is only a piece of Moammar Gadhafi's effort to gain forgiveness and influence in America. And a surprising Israeli angle carries echoes of the Iran arms-for-hostage scandal.

"Follow the go-betweens and you will see a familiar picture," said a U.S. official, confirming the caller's tip that Washington is concerned about growing signs of a Libyan-Isracli détente. A détente with Israel would undercut American efforts to keep Colonel Gadhafi isolated diplomatically and to squeeze him into turning over the two Libyans accused of bombing Pan Am 103 for trial in

America of Britain. Colonel Gadhafi cannot afford to do that. The two Libyan operatives know too much and are key figures in the tribal politics of his regime. So he is desperate to do a deal that would get

them off the hook and get Libya out from under U.S. and Umited Nations economic sanctions imposed on Libya

Colonel Gadhafi has changed his consultant in the Reagan administration who arranged initial U.S.—

Minister Yizzhak Rabin, who has the contacts on arms shipment to the contacts on arms shipment to the contact of because of that Arab state's longstanding support for terrorism.

Libyan officials and businessmen living abroad have quietly sounded out American lawyers, political scientists, public relations experts, acaand others on how Colonel Gadhafi can repair his image interna-tionally and influence the new U.S. administration.

The twist worthy of O. Henry is that the Libvans have also sought out American Jews and others close to Israel and have even conducted contacts with Israelis, some of whom reciprocate Colonel Gadhafi's interest in dialogue.

Intermediaries working for improved Libyan-Israeli relations have ties to Israeli Foreign Minister Shimon Peres, who encouraged the Rea-gan administration to reach out to moderates" in Iran by selling missiles to Tehran through Israel in 1985. U.S. officials have begun to suspect that Mr. Peres is once again seeking strategic advantage by converting and neutralizing a bitter foe of Israel. U.S. officials are skeptical that

scenes efforts to reach out to the erratic Libyan ruler, whose fiery con-demnations of Israel and of Zionism have been one of the few constants of his 23-year rule.

The Israeli arms dealer Yaacov Nimrodi and the Saudi financier Adnan Khashoggi (who played prominent roles in arranging initial U.S. arms shipments to Iran in 1985 when Mr. Peres was prime minister) organized a visit to Jerusalem by 192 Liby-an Muslim pilgrims last month. It ended in controversy when the pilgrims cut short their stay and called for the overthrow of the "Zionist leadership."

A key figure on the Libyan side of the pilgrimage was Rafaello Fellah, a Libyan Jew who lives in Rome and is working with Colonel Gadhafi and former Italian Prime Minister Giulio Andreotti to organize in Libya imageboosting international conferences on religion. Under investigation for corruption and Malia connections, Mr. Andreotti recently hired an Ameri-can lawyer named Abraham D. So-faer to represent him.

Iran. Mr. Lex he met privately with "one of the top five figures in the Libyan government" this past winter in Cairo, but he denies that their discussion had anything to do with Israel. The Libyan asked Mr. Ledeen if

he or other prominent Americans would be interested in working for Libya to mediate the Pan Am 103. case. "I told him it was a terrible idea and that I wouldn't be involved," Mr. Ledeen told me, Joseph Churba, head of the Inter-

national Security Council, a conserva-tive pro-Israeli Washington think tank, also met with Libyan representatives on at least one recent occasion. according to U.S. officials. Mr. Churba's research projects have received funding from Sun Myon Moon, the South Korean evangelist whose news-paper. The Washington Times, pub-lished on July 6 an interview in which Colonel Gadhafi praised President Bill Clinton as a kind, well-intentioned man" and offered to coordinate counterterrorist intelligence with him.

Colonel Gadhafi was interviewed on Cable News Network by Jesse Jackson a week earlier and offered to turn the two accused terrorists over to Mr. Jackson but not to the U.S. government. The interview comments were Colonel Gadhafi's inimitable way of saying that he has no intention of giving up his two agents for trial in the United States. Americans and Israelis who think that they can moderate his behavior by talking

to him have a heavy burden. They must make it clear that he cannot escape sanctions and perhaps more drastic punishment to come imless he surrenders the men who bombed Pan Am 103 and gets completely out of the terrorism business. Any other message dishonors the memory of the 259 passengers and crew members who perished aboard that flight four and a half years ago. The Washington Post:

ratings, at least temporarily.

The big point about the hostages is that Saddam could show imagination

hardships that Iraqis are suffering from the UN economic sanctions in posed nearly three years ago. Eric Hoskins recently received Can-

tion, water, sanitation and other basic

venting any member state from turning itself into a sweatshop at the ex-Mr. Fellah is also a close friend of Michael Ledeen, a national security pense of the rest.

Sweeping away the expense and inconvenience of 12 separate A never-ending flow of hostile

munity has been encouraged, not countered, by ministers. Federation a monstrous tyranny? Tell that to a Bavarian or a Texan and he will burst out laughing. Subsidiarity -- cutting down those regulations from Brussels? Many of them are drafted by the Commission at the request of member states quick to disown them if they turn out to be unpopular.

The Decline

Of Britain

In Europe

By Roy Denman

BRUSSELS — In 1944, British tanks liberated Brussels, and the

population went wild with joy. Fifty

years later, when the new Brussels

airport opens in 1994, most European

Community citizens will be able to pass through without showing their

passports. Since the British govern-ment refuses to sign the Schengen

agreement on frontier checks, the Brit-

ish will be diverted to a separate path

That small, sad contrast symbolizes a decline in British power and

influence in Europe comparable to that of Spain in the 17th century.

It is only by a quirk of fate that Britain today is in the European Community. Had the Labor Party, under Harold Wilson, won the 1970

election as was almost universally ex-

pected, the negotiations for entry,

then about to start, would have failed Edward Heath succeeded only

by convincing Georges Pompidou in two days of talks in May 1971 that under his leadership Britain would be part of a separate European identity. The French president detested Mr. Wilson. They had crossed swords in London a few year before, Mr. Pompidou thought Mr. Wilson a trimmer, who invariably out the interests of

who invariably put the interests of

the Americans or the Commonwealth before those of his European part-

ners. Mr. Pompidou would never have agreed to admit to the Commu-

nity a Britain led by Harold Wilson.

In that event a negotiation, which already had failed twice, could not

have been restarted in the remaining

years of the Labor government. And

with every year, entry would have be-came more difficult. The possibility of

it happening under the Europhobic Margaret Thatcher, who came to pow-

er in 1979, deserves a langh; under John Major a tired smile.

Having joined by accident, Britain has done its best for nearly 20 years

to live up to the manner of its entry.

secret in Whitehall since D-Day. The

British joined the Community to sell

marmalade and cotton underwear.

Now that their partners want to move on, Britain is left with a bad case of

chizophrenia. With one breath John

Major asserts that Britain's place is at

the heart of Europe. With another he exults at liaving foiled knavish foreign tricks to embroil Britons in:

· Being able to travel across the

Community without a passport.

• Having common standards for treating workers decently, thus pre-

The quite explicit ultimate aim of a European federation was the best kept

where passports will be demanded.

The British have lost out in the staffing of the EC Commission. The Exchequer regards the Commission as about as important as it did the Kenya Civil Service in the 1930s. No permanent secretary (the top rank of the career service) would dream of going to be a director-general in the Commission. And when it comes to internal promotions, owing to the hostile drumbeat for years in London, British candidates are now looked at askance. Is he one of us? the Continentals ask. The French have made no such mistake, so they largely run the show.

The British have not learned how to play the Brussels game. Too often, as for example during the British presidency last year, they put for-ward a crudely obvious British point. Of course every member state lights its corner. But the French, in particular, are adept at presenting their re-quests as a splendid potential benefit for the Community as a whole,

Is there any hope that this will change? There is a faint chance. Jean Monnet once said that the English can never be convinced by argu-ments, only by facts. Supposing that in a visit to Europe, President Bill Clinton calls on Bonn, Paris and Brussels. The British prime minister, whoever this may then be, will be hopping up and down to get him to London. But the president regrets: Britain will have become flyover country. Then perhaps in Londong the peany will drop.

International Herald Tribune.

# America Should Be Looking Around

By Denis MacShane

than in 1980? The German work-

week is now 35 hours, mainly with

Friday afternoons taken off and six

In 1938, America introduced the

been disastrous for the United

40-hour week when up to 56 hours

was common in Europe. Revolution-ary by world standards, it should

States, according to classical econo-

mists. But it focused pressure on

quality, not quantity, and gave America a great boost. France made

the 39-hour week and five weeks'

paid vacation compulsory in 1981,

and since 1986 its economy has

As long as the 40- to 50-hour week

and two-week vacation exist, the

United States will head toward

Third World levels of working time,

and the Third World will work even

longer to maintain its comparative

advantage. The administration and

Congress should give Americans a

break and create thousands of tour-

ism jobs by legislating the same annual vacations — minimally five

weeks - that most Europeans emoy.

Mandating work rules provokes an outcry in the United States, but

grown faster than America's.

weeks of vacation.

GENEVA — Americans in business, labor and government can learn from abroad, and the best source of information about what works overseas is American business itself. General Motors or Ford can tell

what it is like to work with workers' representatives on boards of directors. Their top executives six along-side IG Metall unionists at GM and Ford subsidiaries in Germany. Executives of Apple Computer in

France can explain how conservative politicians are committed to increasing apprentice training in the country and why the majority Gaullist party in the new government is calling for employee shareownership programs.

IBM can explain how its operations in Sweden are fully unionized, including managerial staff. Motorola and Hewlett-Packard in Singapore and Malaysia can tell how narrow wage gaps between executives and employees help to sustain a mutual commitment to success. In Britain, any of the 50,000

American executives there can explain how a state-funded health system lifts a load of costs off the backs of companies, while in Switzerland, DuPont executives can explain how the Swiss apprentice program and properly financed schools combine to produce well-educated workers.

American political leaders need not invent new theories but simply invite leading companies to suggest the best practices elsewhere and enact them. Legislation could start in the area of working time. Every study shows that industrial

workers are diminishing in number. Then why are American industrial

workers putting in more hours today

unless everyone faces the same presbe undercut by their rivals. Shorter working time also opens up new jobs and reduces unemployment. In Japan, Germany and the Nordic countries, training pro-

grams provide thousands of jobs. and employers and employees are working together to enhance skills and output.
U.S. labor law should be brought into line with that of other countries. Hiring strike breakers during a dispute is not permitted elsewhere in the democratic world, and most foreign companies have to give adequate notice before layoffs. And even if President Bill Clin-

ton has signed the (unpaid) family leave law, it falls well behind mini-mum European levels that provide for paid leave. Even poor Greece provides 15 weeks' paid maternity leave, and a mother is guaranteed her job for a year after giving birth.

Japanese unions are pliant on production-line speed, job transters and other issues that provoke resistance in the United States, but they are quick to block any devel-opment that lets one worker believe that he or she has more dignity or worth than the next. If Hiroshi, the gardener, has to wear a company jacket and punch in, so does ichiro, the manager. Holidays, medical care and seniority rules are uniform.

Another benefit to be borrowed from Japan and other dynamic Asian economies is the lower ratio stween bottom and top pay. A U.S. executive will earn 50, even 100 times what a worker earns; in Japan the executive earns 10 times what the employee gets.

in addition to an improved minimum wage, Americans should cam-paign for a "maximum wage," requiring firms to pay taxes on exorbitant executive compensation.

The writer is associate director of the European Policy Institute, a British-American foundation that one has European social trends. This comment was adapted by The New York Times from the current issue of

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: 'A Colonial Mess' BERLIN -The Frankfurter Zeitung publishes a bitter article upon the French colonial policy. After reminding her of her failures in Annam and

Tonkin, the article says: "France has put her foot into a colonial mess again. England goes the right way about it. She sends the trader first, the missionary next, and last of all the soldier: whereas France reverses the policy and sends the soldier first. with the result that generally the trader does not get there at all."

1918: San Diego Sinks

NEW YORK - The sinking of the San Diego has caused tremendous excitement throughout the United States. It is the first major warship to be lost since the United States entered the war, also the first battleship to be sunk in American waters. As yet the cause of the sinking has not been definitely determined. Hundreds of surviv as owe their lives to aviators

who happened to be approaching when the explosion occurred and who sent out the S.O.S. calls that sent seven steamships to the scene.

1943: Spare 'Dear Rome'

LONDON — [From our New York edition:] The Vatican radio broadcast today [July 21] a letter from Pope Fits XII deploring the bombing of the capital and calling upon Catholics to pray for a specify peace. The lies to pray for a speedy peace. The Pontiff said he had thought "the horrors and destruction of bombine could be spared our dear Rome." Citing the historical, cultural and religious im-portance of Rome, he said: "All that we put before competent authorities on several occasions in clear terms. recommending to them in the name of human dignity and of Christian civil-zation the inviolability of Rome. The Pope mentioned damage done to the basilica of San Lorenzo, "consecrated to the veneration of all Catholics by its ancient associations" and "now in very great part destroyed."



# Japan Is Turning the Page On Deference to America

By William Pfaff

PARIS - A "new world order" is slowly emerging which has nothing to do with the American global hegemony discussed — even celebrated by Washington during George Bush's time in the White House.

There is now a parallel and recipro-Veal estrangement of Americans from Japan and from Europe — once again. "fortress Europe" in Washington eyes. This estrangement is fundamentally economic, related to trade rivalries, but Japan's national election on Sunday revealed the important political dimension it possesses. The most significant result of the Japanese election was its advance of nationalism.

The Japanese vote ostensibly concerned domestic political corruption. The real issue, addressed in more or less coded

### Sunday's election has put an end to the postwar bargain.

language by all the parties, was termina-tion of Japan's constitutional renunciation of military force as an instrument of national policy. The overwhelming victory of conservative forces, new as well as old, and the collapse of the (pacifist) Socialist vote means that this now wil occur. Japan will reclaim responsibility for its own security and for the defense of its national interests.

The pacifist provision was written into the postwar constitution by American authors, at the start of the occupation, and implied a reciprocal guarantee by the United States of Japan's national security. It thus formalized Japanese dependence upon the United States, a form of subordination to Washington, and this no longer is acceptable.

There has been a generational change. Since the war, Japan country has been governed by people formed by the war and its aftermath, and who have constructed their careers in terms of Amencan primary in security and foreign poli-cy matters. Their political discominure in recent years has been in part a result of the incompatibility of that political submission with Japan's economic ascen-dance over the United States in terms of growth, export success and trade balance.

The generation now coming to power reacts against that subordination. It is natural that it does so. Japan's political subordination is no longer appropriate to the actual relationship which exists between the two countries and the actual strength of Japan. In the Pacific, as in the Atlantic, a geopolitics dictated by World War II and the Cold War is coming to an end. It must come to an end. This will either occur reasonably, with intelligent recognition of the need for change on all sides, or there will be ruptures producing pain if not crisis.

Behind the screen provided by the success of new parties, the older Japanese leadership can abandon positions it no longer wishes to defend. Ichiro Ozawa, the most influential of the old-generation politicians, the manipulator who spon-sored the dissident Japan Renewal Party and thereby brought down the govern-ment, favors constitutional change.

The most glamorous of Japan's new conservative leaders is Monlino Hosokawa, an aristocrat who created the reformist Japan New Party. He is a possi-ble prime minister. He is 55 and came to politics in the 1970s, which is representative of the new parliamentary generation. He says that Japan must be transformed from postwar Japan to post-Cold War Japan. The meaning is clear.
The Clinton administration's policy

or policies, as there seem to be separate and inconsistent political, economic and trade policies — have speeded this development. The administration has said that it no longer intends to impose its political leadership in world affairs. It wants cooperative effort, increased United Nations peacekeeping responsibilities for Japan, European leadership in the Yugoslav crisis, etc., so as to allow the United States to concentrate on domestic reform. At the same time, the administration relies on Japanese fiscal support and practices a unilateralist trade policy much more aggressive than during the Bush and Reagan administrations.

Obviously the Japanese and the Europeans will respond to the latter with still more aggressive trade policies of their own. Sunday's election in Japan must be taken as ending the period during which Japan has systematically appeared the United States in trade confrontations (at least in the agreements it has offered, and the promises it has made, if not in its practice). Similarly, the European Community now is under pressure from some of its members to arm itself with the equivalent of the United States' "Super

301" trade retaliation powers. The political, or geopolitical, aspect of this is unsurprising and even overdue. It should not really have taken 50 years for the Japanese and West Enropeans to begin to shake off their political subordination to the United States. Even new they do so with distinct reluctance and some consternation at what the consequences may prove to be. But they are doing it. The policies of the Clinton istration are lending new impetus to this "normal" but inauspicious development in world affairs.

The outcome of Japan's election means that the postwar bargain, by which Japan bought its security from the United States by accepting Washington's leadership in foreign and economic policy, is at an end.

O Los Angeles Times Syndicate.



# It's Time for New Yorkers To Recall the Weird Day

By Bob Herbert wanted to do was get safely home. It was

N EW YORK — A public official recalled: "I had never seen anything like the fear that was in this city that afternoon. It was like Godzilla was in New Jersey and was coming into New York." Many New Yorkers remember it 35 "that weird day."

It was Friday, May 1, 1992, Rioting had erupted in Los Angeles two days earlier and that city was still in flames.

### MEANWHILE

The image of Reginald Denny being dragged from his truck and beaten almost to death was seared into the nation's psyche. Serious disorders had broken out in other cities. Tear gas had to be fired into a crowd in Atlanta. The National Guard was activated in Las Vegas. San

Francisco was in a state of emergency.

By Friday, much of New York was in panic. "It was cerie," said Andrea Levee, a Manhattan office worker. "The city was clearing out and it was the middle of the afternoon. All anybody

letter while attending the Colloquium of

the International Council of Christians

and Jews in Haifa, which had as its

theme "Sharing the Blessing of Abra-

ham in the Holy Land Today.
It was attended by Jews. Christians

and Muslims from many lands, includ-

ing Lebanon. The colloquium was a

great success and a ray of light in an area

where the emphasis is so often on ha-

I hope that many people of all faiths will join Mr. Kollek in his prayers.

like the apocalypse was coming Rumors were racing through the city's streets like lit fuses. It was said that a

major riot was planned for Times Square. at 5 P.M. Suburbanites, their hearts. thumping couldn't get out of town fast enough. By midafternoon they were leaved ing by the tens of thousands.

Mayor David Dinkins remained calnu-He felt that his goal was clear. He had a

city to save. There was some basis for the fear. There were large demonstrations in Har-lem, midtown, Greenwich Village and other neighborhoods, and there were individuals inciting the demonstrators to violence. Windows were broken, bus shelters smashed, and there were outbursts of

rock and bottle throwing.

But Mr. Dinkins, according to a close aide, Bill Lynch, had made up his mind that the proponents of violence "were not, going to tear this city asunder."

The mayor's efforts to keep the city cool had begun immediately after the Rodney King verdict was announced on Wednesday. He and Mr. Lynch put an extraordinary network of contacts to work around the city. Strategy sessions were held with law enforcement officials; community activists and members of the clergy. The mayor's conflict resolution team was deployed. City employees from various agencies were used to gather ac-curate information, debunk rumors and head off potential problems.

The mayor went on television to urge calm. He went into the streets. He urged

the media to remain responsible.
In the end, New York did not burn. And the mayor reaped a bonanza of praise. "Dave, Take a Bow," said a headline in The Post. New York Newsday called Mr. Dinkins "Mayor Cool."

This Tuesday, a report on the mayor's handling of the August 1991 disturbance in Crown Heights was released. There was no evidence that he held the police back, as some individuals had charged, but he was criticized for not moving quickly enough to quell the violence.

It is hard to argue with the report. You don't wait until the third night to put a stop to violent attacks on people in the street and the wanton destruction of property. Mr. Dinkins deserves the blame and he has to take the heat. But there should be some sense of proportion to the criticism. In recent months, on the Crown Heights issue, that sense of proportion seems to have been lost.

Cities pay a hideous price for major riots. Think of Los Angeles. Think of Detroit. Think of Newark. Mr. Dinkins has worked hard to keep New York from having to pay that price. You don't hear much anymore about "that weird day" in May 1992, the day the city didn't burn. It is something to consider as the obsession with Crown Heights continues.

### LETTERS TO THE EDITOR

### To Keep the Aid Flowing to Ex-Yugoslavia

former Yugoslavia began, the UN High million this year for former Yugoslavia alone. Through June she had received to lead the humanitarian effort to protect and assist refugees and internally displaced persons. Since then, the men and women of UNHCR have forged a Herculean program under the worst circumstances imaginable, risking their lives daily to protect and care for civilians, mostly women and children. UNHCR has also managed the airlift of relief supplies into Sarajevo, the largest such effort since the Berlin airlift in 1948.

As disappointed as we all are by the failure of the international community to end the war, we must respect the courage and achievements of the UN personnel working with nongovernmental organizations and local volunteers. The humanitarian program in former Yugoslavia has saved tens of thousands of lives, and continues to provide protection, food and hope to millions.

Ninety-five percent of the UNHCR budget is provided voluntarily by governments, emergency by emergency, appeal by appeal. Relief operations in the midst of war are as expensive as they are dangerous. The war in former Yugos via drove the UNHCR worldwide budget from \$544 million in 1990 to \$1.1 billion in 1992. The money is used for protection, shelter, food, water, transportation and medical care.

Because the Balkan war continues, the high commissioner for refugees, Sadako rional Herald Tribune. 1993 budget of \$1.3 billion to the inter-

Fifteen months ago, as the war in national community. She needs \$420 \$211 million, with the United States contributing \$121.5 million of this total. There was a shortfall of \$209 million for

former Yugoslavia. The high commissioner has told donor governments that she is running out of money. In former Yugoslavia she has cut social services (such as rape counseling), education and money to help people rebuild their homes and lives, and she has withdrawn UN personnel providing protection. Next she will have to cut food supplies, shelter, medical care and transportation, endangering civilians even more.

The bottom line is that President Bill Clinton must ask for a supplemental appropriation to sustain UNHCR's humanitarian work, even in these difficult budget times. At a minimum, the United States should contribute \$100 million more to UNHCR this year. In the future, the Clinton administration should work with other governments to achieve a more responsible approach to annual funding of UNHCR's program, and sufficient emergency funds for the high commissioner's life-sustaining work.

Many members of Congress recognize this as the moral and humanitarian issue of the day. They are prepared to cooper-JESSE BUNCH, Executive Director.

United States Association

for UNHCR. Washington.

How can the news from Bosnia possi-bly get worse? But it has. The UNHCR now reports that food supplies it distrib-utes have diminished alarmingly, be-cause of what it calls "donor fatigue."

As an American working in Amsterdam, a city filled with life and light, I am just two hours away from the darkness, the suffering, the ethnic cleansing. I am ashamed of my countrymen and Europeans who can allow this atrocity to continue without a continuous blitz of aid. SHELLEY LIST.

Amsterdam.

### **Prayers for Reconciliation**

May I. as a Semite Arab born in Jordan, join Paul Kollek ("The Semitic Potential," Letters, July 14) in his prayers for peace and reconciliation between Jews and Arabs. What a wonderful and prosperous part of the world our region will become when the full potential of its people is unlocked and enjoyed by everyone regardless of religion, ethnicity

or racial background. And yet the dream founders on the harsh rocks of political reality. Like Mr. Kollek, I look forward to the day when the Arabs will live in genuine democracies. Only then will the need to point to Israel as "the enemy" disappear and Arabs and Jews realize how much we

KAMAL TAWFIK NIMRI. Paris.

I agree with Mr. Kollek that his vision of a true partnership of all the Semitic people of the world is far from Utopian. By coincidence, I read Mr. Kollek's

Sir SIGMUND STERNBERG.

tred rivalry and war.

### An Author Responds I was surprised upon opening your paper to find an article ("Author Finds

80s Culprits at The Wall Street Journal," Media Markets, July 21) about my recent book "The Power and the Money: Inside The Wall Street Journal," in which Norman Pearlstein, a former managing editor of The Journal, is quoted as calling me "a fraud and a fake." Fair journalistic practice would require the reporter to give me the opportunity to respond to such calumny. But in two separate interviews, he never

If he had, I would have responded by saying: Mr. Pearlstein's calumny should be aimed not at me but at the 313 people I interviewed, including Don MacDon-ald, vice chairman of Dow Jones, who said. "Pearlstein sullied The Journal's reputation, that great halo."

FRANCIS X. DEALY JR.

The New York Times.

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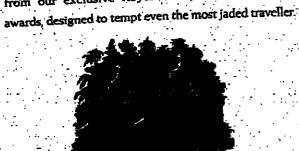
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FAMILY NAME		

Please complete in English.

sotakis of Greece said in a speech

two weeks ago that Greece sought

no border changes with Albania, but he demanded that the Greek

minority there be given the same

rights as those that Albania de-

mands for Albanians hving in other

This seemed to imply that

Greece supports local autonomy

for the Greeks of Albania, since

Albania has taken a similar stand

Mr. Berisha was clearly delight-

ed to see an American presence

taking shape in the region, saying he considered it a stabilizing factor

for Albania as well as for Macedo-

"I think the American presence

is very important and should be

greater in the region, he said.

Americans said, 'It's a European

problem and should be solved by Europeans."

You know, for many months, the

on the status of 1.8 million Albani-

countries.

said in an interview in Tirana this ans in neighboring Kosovo Prov-

# In Japan, a Trial Of Postwar System?

### Tokyo's Top Political Figure Faces Charges of Tax Evasion

By James Sterngold

New York Times Service TOKYO - Japan's political world, already in the midst of an upheaval, may be about to reap a whirtwind with the opening here Thursday of potentially the most explosive political corruption trial in postwar history.

Shin Kanemaru, until a year ago the most powerful politician in the country and now a symbol for many of all that went wrong with the dving political order, faces charges that he evaded the equivalent of almost \$10 million in taxes on what were reported to be huge illegal contributions from construction companies.

He was indicted earlier this year after investigators found roughly \$50 million in cash, bearer bonds and gold bullion concealed in his home and offices.

The shock and anger over his case was an important factor in the recent split in the Liberal Democratic Party, which resulted in its losing its majority in parliament in the Sunday elections.

So essential a figure was Mr. Kanemaru to the careers of two generations of politicians that some lear disclosures at his trial could implicate dozens of leading mem-bers of parliament and thus have a major impact on the current struggle 10 select a new prime minister. Already, information gathered in

his case has led to the arrest in recent weeks of the mayors of two towns in northern Japan on charges they, too, accepted bribes from construction companies.

Ultimately, some politicians have said, the disclosures could hasten the collapse of the Liberal Democratic Party, in which Mr. Kanemaru had been vice president. and affect the tumultuous realignment of parties after the historic elections, which ended 38 years of

one-party rule.

Mr. Kanemuru is 78 and his evening news had long stood for the controlled system of patronage and backroom power brokering of and backroom power brokering of the Liberal Democrats.

He selected the last two prime ministers and reportedly helped install another, Noboru Takeshita, in 1987 by asking a powerful organized crime boss to silence some

But Mr. Kanemaru began to topple from this position of privilege last fall, when he admitted to receiving an illegal contribution of more than \$4 million from a trucking company with ties to the underworld, Tokyo Sagawa Kyubin.

He attempted to ride out the storm by admitting the charge and paying a fine of less than \$2,000, but after a strong public reaction, he eventually resigned from the

parliament and the party.

kingmaker until the stunning news March 6 that he had been arrested. days before the statute of limitations expired on tax evasion charges for 1987.

Also arrested was his former political secretary, Masahisa Haibara. Days later, prosecutors raided his home and offices, uncovering a horde of gold, cash and securities. Perhaps more important, they carted off boxes filled with documents. whose contents could well change the course of Japan's political history if they implicate others.

Soon thereafter, newspapers were filled with articles detailing the network of construction companies that reportedly made illegal contributions to Mr. Kanemaru twice a year, presumably in return for public works contracts.

The construction companies were raided, followed by news reports showing how the companies had even formulated a grading system for the important members of the Liberal Democratic Party to determine how much each was to

Both Mr. Kanemaru and Mr. Takeshita were in a class by them-selves, "Special A."

Mr. Kanemaru and Mr. Haibara were subsequently served with new tax evasion charges for later years and questioned intensively while being held at a detention center.

A taste of what the prosecutors have learned may be provided Thursday morning, when the trial begins at 10 A.M.

Mr. Kanemaru and Mr. Haibara have yet to offer a plea, but it is said they will plead not guilty.

As the proceedings begin the prosecutor will read an opening statement. In Japan, prosecutors have wide discretion in what they can say in these but they often lay out the cases and offer details.

# In Spy Chief Trial

DUSSELDORF — The German foreign minister, Klaus Kinkel, and his predecessor, Hans-Dietrich Genscher, are to testify at the trial here of Markus Wolf, the former East German spy chief who is charged with treason, court offi-cials said Wednesday.

Mr. Kinkel and Mr. Genscher are expected to testify in Septeniber in connection with the case of Günther Guillaume, a spy planted by Mr. Wolf who became a close aide to Chancellor Willy Brandt. The unmasking of Mr. Guillaume precipitated Mr. Brandt's political downfall in 1974.

Mr. Genscher was interior minis-Many expected him simply to ter at the time and Mr. Kinkel was become an even more secretive an official in the ministry.



Michio Watanabe, ex-foreign minister, explaining Wednesday why he wants to succeed Kiichi Miyazawa as the Liberal Democratic Party leader. At left is ex-Prime Minister Yasuhiro Nakasone,

### JAPAN: Young vs. the Old in a Political Showdown

Continued from Page 1 last three days desperately trying to

glue the pieces together. Tokyo was awash with rumors and front-page articles about Mi-chio Watanabe, the former foreign minister, who has emerged as a leading candidate of the party's old guard to succeed Mr. Miyazawa.

The only problem is that he has spent months in and out of hospitals for treatment of what is widely believed to be cancer, and it was his illness that forced him to resign as foreign minister earlier this year.

Mr. Watanabe has made no secret of his desire to serve out his last days in politics as prime minister. On television he said, "If party members insist that Watanabe should do it.' by all means, I will do it at the risk of my life."

Another frequently mentioned name is Masaru Gotoda, the 78year old elder statesman of the party. Mr. Gotoda, now serving as both justice minister and deputy prime minister, is also ill, and has spent most of the past week in a hospital for what has been variously described as heart trouble and

But he is regarded as "clean" and a proponent of political reform leg-islation, which is expected to be the main task of the new government. The prospect that the party would present another aging face to voters clearly interested in party members. Many of them are the idea appears to be gaining widrallying around Toshiki Kaifu, who er currency. When Israeli newspawas dropped as prime minister two pers reported recently that Mr. Ra-

years ago.

Mr. Kaifu's advantage is that he to Mr. Arafat, the government is to Mr. Arafat, the public seems now heads a group of younger sued a denial, but the public seems

members working inside the party Iapanese military to the use of nu-for political reform — and could clear power. threaten to bolt with them if they

are not given their way. Several other younger members of the party, including a former finance minister. Ryutaro Hashimoto, are also considered possible prime ministerial material.

But across town the reform parties that seized more than 100 seats in the election are also struggling to come up with sufficient numbers to form a government. Initially, this

appeared just short of impossible. It would require an alliance that included conservatives who bolted from the Liberal Democratic Party and Socialists who have long opposed them on nearly every major the post of prime minister in returnissue, from the legitimacy of the for votes to form a government.

Continued from Page 1

headquarters in Tunis. Now, there

is an open debate among others in

the Labor-led coalition about

whether opening a back channel to Mr. Arafat would be a good idea,

given the failure of the peace talks

Israeli leftists have long advocat-

ed direct talks with Mr. Arafat, but

bin had anointed a secret emissary

But the Socialist leaders have been talking about dropping many of their long-held party platforms in the interest of ousting the Liber-

al Democrats. The critical missing piece is the Japan New Party, headed by Morihiro Hosokawa. Along with an al-fied party, the New Harbinger Party, he commands 48 critical votes that could make or break the alli-

Under one scenario being floated now, the allies would offer Mr. Hosokawa, once governor of a mafor prefecture in southern Japan. the post of prime minister in return

TALKS: Israel Isn't Saying Never on PLO Dialogue

and shrugged it off.

to make substantive progress over er thing do to," said Deputy For-the 20 months since their Madrid eign Minister Yossi Beilin, who has

to have assumed it was true anyway

"The most interesting phenome-

non after the false rumors of the

contacts between the government

of Israel and the PLO was that the

only question around was who did it, and not whether it was the prop-

supported direct contacts.

The opposition parties, led by

Likud, still oppose talking to Mr.

that a majority of Israelis are still

against talking directly to the PLO.

the ruling coalition is taking a clos-

which rejects the peace process.

Many analysts believe it is ur-

But there are several reasons why

# Stirs New Conflict in Balkans ens and Belgrade have refused to recognize, and against which both

have long territorial claims.

respite may be short.

Macedonia, a former Yugoslav

republic with volatile Serbian and

Albanian minorities, has so far

managed to escape the factional

warfare that has ravaged Croatia

and Bosnia. But analysts fear the

"When I see this policy of Greece it is not to be excluded that they intend the destabilization of

Albania," President Sali Berisha

. He added that he believed this

more likely now that President Slo-

bodan Milosevic of Serbia has been

blocked from hostile moves against

of troops there to act as a tripwire

where, but he is blocked in Mac-edonia," Mr. Berisha said. Serbia

and Greece "intended to have a

ter the American troops entered

common border but they failed af-

"Milosevic will strike out some-

against invasion.

with Greece.

being sent over the border.
Albanians say that for them, the issue is not the resurgence of religion in what was formerly a Com- there." munist and officially atheist country. Nor is it the preaching of Christianity in a nominally Islamic country, where 70 percent of the 3.3 million people are Muslim, about 20 percent Orthodox and the rest

Albanians say the issue is one of growing fear that the Greek govemment is using the Orthodox Church to stir up a secessionist movement in southern Albania, which is called Northern Epirus by Greeks who want to reclaim the

As seen from Tirana, Albania's capital, a Greek-Serbian alliance is a threat not only to the stability of Albania but also to that of Mac-

# Albanian Expulsion of Greek

By David B. Ottaway

Washington Post Service
GJIROKASTER, Albania — The expulsion of a Greek Orthodox priest from this picturesque south Albanian town has caused new tension in the volatile Balkans, raising fears among Albanians that religious-ethnic conflict is spreading to their predominantly Muslim na-

The priest, Chrysostomos Maidonis, was deported June 25 after authorities accused him of stirring up demands for secession among Albania's Greek minority, which was already pressing for local selfgovernment and an open border

Greece has retaliated by rounding up about 25,000 Albamans - Macedonia by the U.S. deployment most of them illegal immigrants— and expelling them. Many of the Albanians said they had been besten by the Greeks and stripped of their belongings and money before

Pope John Paul II got a warm reception on a visit to Albania in April, and scores of American evangelical missionaries, along with Saudi and Egyptian Islamic clerics, have found an open door to try to revive their faiths.

This occurs as Greece is openly promoting an alliance with Albama's northern neighbor, Serbia, based partly on their common Orthodox faith.

edonia, whose independence Ath-

stall continued strengthening of Is-

A second reason for the fresh

discussion about direct talks is that

the Madrid process has stalled,

prompting a search for ways to

A leading advocate of opening direct lines to the PLO has been

Foreign Minister Shimon Peres,

who argued in parliament this week

that the Palestinian delegation has

so Israel should drop the pretense

that it is not dealing directly with

are getting instructions from," said

Mr. Peres, referring to two of the

"The whole world sees who Ha-

lamic militants.

break the deadlock.

the organization.

### By John F. Burns New York Times Service SARAJEVO, Bosnia-Herzegovina — As fighting was raging Wednesday on Mount Igman overlooking Sarajevo, General Ratko Mladic, commander of the advancing Serbian forces, stood in a clearing amid the mountain's thick stands of pine and fir and spoke

No Peacekeeping

**UN Force Is Doing** 

genially about his troops' latest successes.

To the accompaniment of artillery fire from Serbian guns, the general said his troops had advanced 30 kilometers (20 miles) in a week and had come close to capturing two key roads that would cut off the retreat of the mainly Muslim force defending the western approaches to Sarajevo.

After that, the general said, it would not be long, possibly only days, before two Muslim strongholds that stand at the gates of Sarajevo, Batmir and Hrasnica, would fall.

Things are moving very well, according to plan, and they will get

even better," the general said.

But one thing he did not mention was as important, in its way, as all the other things put together. Although the Serbian troops were advancing less than 15 kilometers from the center of Sarajevo, so close that pedestrians in the city could see smoke from their artillery strikes pluming into the air, the Serbian success was occurring without impediment from the peacekeeping force deployed here by the United Nations.

Although the UN Security council has designated Sarajevo as a

"safe area" under UN protection and has ordered a buildup in UN troop strength in the Bosnian capital, the force of more than 2,000 UN soldiers deployed in Sarajevo has been little more than a spectator as the Servian troops have pushed forward.

Far from checking the Serbian advance, the UN troops have not even been able to approach the battlefield or observe the fighting. much less discuss it with Serbian commanders.

"We have no information on the Igman fighting," said Lieutenant Commander Barry Frewer, a Canadian officer who is spokesman for the United Nations Protection Force, speaking at UN headquarters almost in the lee of the mountain. He added: "We are insisting that we must be there to be independent witnesses of what is going on. But it has been made very difficult because of the intrans

If the UN force has been blinded to the lighting on Mount Igman, In almost all of the regions of intensive fighting commanders of

the Serbian and Croatian nationalist armies that are engaged in a bastening carving up of Bosnia into "ethnic states" for Croats and Serbs have refused access to UN military observers. Unable to witness the fighting, UN troops have also been increas-

ingly frustrated in their primary mission in Bosnia, escorting UN relief convoys across the labyrinth of battle lines to about 2.2 million people who depend on the UN food and medicines to stay alive. For four days, Croatian forces have halted all convoys from entering bosnia from the main UN warehouse at Metkovic, 30 kilometers southwest of Mostar.

increasingly, UN officials are describing Croatian commanders in terms once reserved for the Serbian forces, which have led the way in frustrating UN aid efforts as they have captured and "ethnically cleansed" one predominantly Muslim region after another, placing more than 70 percent of Bosnia under their control.

Particular anger has been directed at the Croatian commanders for blocking all UN efforts to reach a detention camp at an abandoned bicycle-racing complex in Mostar, where at least 2,000 Muslim men, mostly civilians, have been held on a diet of a slice of bread and a cup of tea a day for several weeks.

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## Jean Negulesco Dies at 93, **Directed Movie Classics**

er look at direct contacts. One is the nan Ashrawi and Faisal Hussemi

perceived threat from Hamas, the are meeting with, who they are fly-islamic Resistance Movement, ing in the plane with, and who they

gent for Mr. Rabin to reach an most prominent Palestinians in the

agreement with the PLO to fore- peace delegation.

The Associated Press

MARBELLA, Spain — Jean Negulesco, 93, the Romanian film director who made "How to Marry a
Millionaire" and "Three Coins in a
Fountain," died here Sunday of heart failure.

"while enhancing the visual brilliance of his product, might also have magnified the hollowness of his films."

His other movies included "Johnny Belinda" "There are no line and the product, might also have magnified the hollowness of his films."

Mr. Negulesco was also a stage director, artist and painter. He went to New York in 1927. His first movie was "Singapore Woman," in 1941, and his final directing credit

was "The Invisible Six," in 1970. Commenting on his career, an entry in the Film Encyclopedia says: "He turned out a number of worthwhile films for Warner Bros. but seemed to lose his touch after

His other movies included MESSAGE: A Signal to Muslims "Johnny Belinda," "Three Came Home," "The Mudlark," "Woman's World," "The Best of Every-thing." "Jessica," "The Pleasure Seekers" and "Hello Goodbye ."

Heak Kersting, 88, a former Associated Press bureau chief in Amsterdam, whose career ranged from editing an underground anti-Nazi newsletter to creating the AP's Dutch language service, died Wednesday. He had been in ill moving to 20th Century-Fox early health since suffering a stroke earli-in the '50s." It adds that color, er this year.

### SUICIDE: White House Mourns was out of the ordinary," Mr.

Continued from Page 1 incident but did not take adequate

advantage of this opportunity."

Mr. Foster was also reported to

That editorial listed and ran sketches of four alumni of the Rose of Gibraliar when other people firm now serving in the administration: Mr. Foster. Mrs. Clinton, Associate Attorney General Webster Hubbell and William Kennedy 3d. a member of the White House

counsel stall.

intensely involved in his work, would not have been driven to despair by the editorial or the controversy over the travel office. Mark Gearan, the White House

communications chief, said the Justice Department would investigate the death as a matter of routine. He said that Mr. Foster had left his White House office about 1 P.M. Tuesday and that, until his body was found, no one had known his whereabouts.

Gearan said. Mr. Clinton encouraged his staff "to remember that we're all people have been upset by a Wall Street and that we have to pay maybe a Journal editorial on July 14 that little more attention to our friends lambasted the Clintons for having and our families and our co-workplaced "legal cronies" from Little ers and try to remember that work Rock in important administration cannot be the only thing in life." The president also said of Mr. Foster: "He was usually the Rock

were having trouble. It is very important that his life not be judged simply by how it ended, because Vince Foster was a wonderful But the friends said that Mr. 

Clinton Cancels Schedule
Foster, a tough, seasoned litigator The president canceled public

appearances Wednesday but said he would resume his schedule Thursday, The Associated Press reported. He said he would go to Arkansas for funeral services, which have not yet been scheduled. Mrs. Clinton and the couple's daughter, Chelsea, already are in Arkansas.

A native of the president's hometown of Hope, Arkansas, Mr. Foster had known Mr. Clinton and "He never said anything to his Colleagues here in the White House White House chief of staff, since White House chief of staff, since or his friends here in Washington that would indicate that anything gether.

an state. Now, the Western allies have resorted to a new public-relations tactic designed to spare themselves from having to openly call on the onigumed, outmaneuvered Muslims to surrender and accept the destruction of Bosnia, a recognized state by the United Nations

Instead, the allies have continued to blame each other. Mr. Clinton on Tuesday put the onus on France and Britain for failing to this issue — for offering fatal illu-sions to the Bosnian government. accord is enforced by UN peacesions to the Bosnian government. accord is Meanwhile, the North Atlantic keepers.

Treaty Organization has finally as-sembled warplanes for ground strikes in Bosma, but Western officials said that they were unlikely to be ordered until the Bosnian Muslims had struck a deal that the United Nations would then enforce against rogue local militia commanders.

"The way things have turned out, governments are now anxious to ensure that the planes' arrival is not a misguided signal to Muslims to hold out," a U.S. official said. support his plan for arming the Once Muslim leaders accept the Muslims. In return, France and rump state being offered by Serbs Once Muslim leaders accept the Britain fault Washington - and and Croats in a three-way carve-up Germany, its half-hearted ally on of Bosma, the NATO sirpower

# **BOSNIA:** Pressing for Settlement

Continued from Page 1

from London. "On that basis," he said. "President Itzebegovic has said that he will come, but it is contingent that the Serbs particularly stop their attacks on Saraje. Battle for the Mountain

tons of supplies blocked for almost man. Reuters reported from Sarajetwo weeks by Croatian forces would begin moving Thursday.

The Geneva negotiations are certain to be exceedingly difficult for completely, both on Mount Bjelasthe Bosnian government, which nice and on Mount Igman," Generfaces a no-win situation.

atian leaders have already worked Bosnian government forces, out a proposel for three separate however, claimed a victory in the ethnically based states that appears battle for Mount Igman on Toesto have the backing of President day night. Sarajevo radio said government forces had retaken a key president France Tudings of Cre. atian leaders have already worked

ly consider the joint Serbian-Croatian proposal as perhaps the best solution possible for his govern-

ment, which now controls about 10 percent of the country.

The commander of the Serbian Mr. Izetbegovic's latest condi- militia in Bosnia-Herzegovina, tion was partly met Wednesday General Ratko Mladic, said when the office of the United Na- Wednesday that his troops would tions High Commissioner for Refu- soon cut off Bosnian government gees in Zagreb reported that 2,000 forces in the battle for Mount Ig-

nces a no-win situation, al Mladic said. "The path of Allah The Bosnian Serbish and Cro- is controlled by my army."

President Franjo Tudiman of Cro- part of the mountain and pushed atia, both of whom are expected to the Serbs back to their valley base. The Muslim-controlled radio reLord Owen has already told Mr. ported that dozens of Serbs had 
Izethegovic that he should serious-



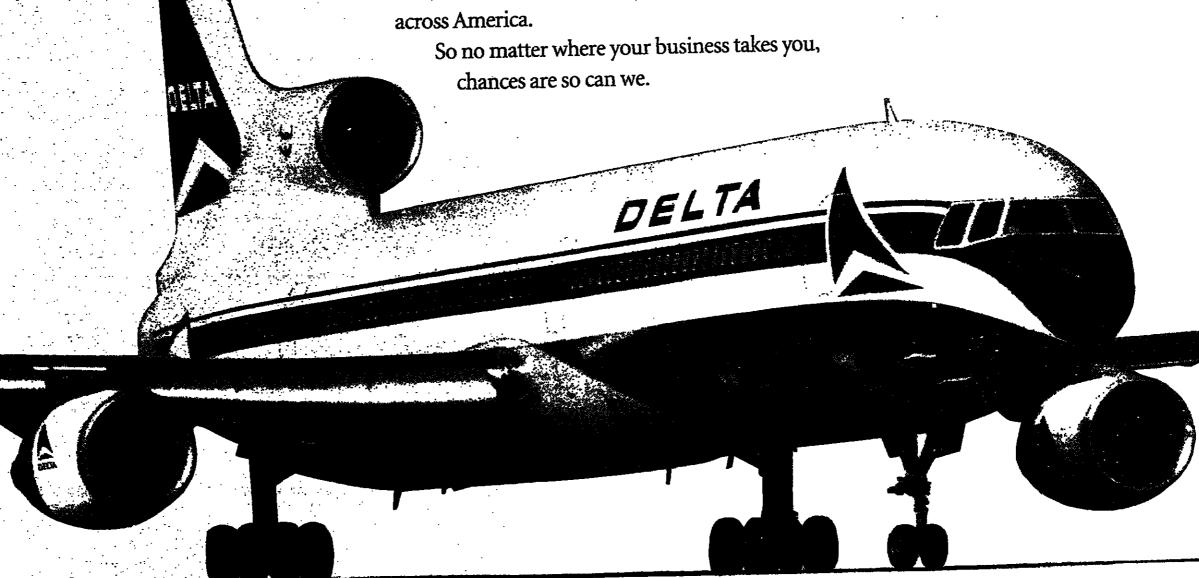
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A.DELTA A.R.L.IN.

By Elisabeth Rosenthal New York Times Service

EW YORK - In recent years, support groups for women at increased risk for breast cancer have proliferated, filled with terrified women who have a mother or sister who succumbed to the disease. Now a new study suggests that such women, while somewhat prone to breast cancer, are not as susceptible

as was previously thought.

While some studies had found that women with breast cancer in their immediate family were three times more likely to develop breast cancer than other women, the new research indicates that their risk is probably only about twice that of those without a family history of the disease.

What's more, of the 2,389 women with breast cancer in the current study, only 2.5 percent of cases could be attributed to a

family history of the disease.

"What this all points to is that women with a single family member should be counseled and treated in the same way as women without a family history," said Dr. Graham A. Colditz, associate professor of medicine at

the Channing Laboratory of Harvard Medi-cal School and the study's chief author.

The study, which appears in The Journal of the American Medical Association published Wednesday, involved 117,988 women whose health histories and habits have been followed by a team of Harvard researchers at the Brigham and Women's Hospital since 1976 as part of the Nurses' Health Study.

Of these women, who were 30 to 55 years old at the start of the study, 2,389 had developed breast cancer by 1988.

Since the researchers had previously collected extensive health information about each participant's family, they were able to determine how many of these cases could be connected with a familial tendency to the disease, and to clarify the connection.

They determined that having a mother with breast cancer did increase somewhat the risk that a woman would get the disease, and that the level of risk was highest if the mother had died of breast cancer at an early age.

Women whose mothers had gotten breast cancer before the age of 40 were 2.1 times as likely as other women to get the disease; for those whose mothers developed breast cancer after the age of 70, the risk was only 1.5 times

as great. Women with a sister with breast cancer were 2.3 times as likely to get breast cancer as women without a family history. But even women with the strongest familial predilection toward breast cancer - with both mothers and sisters affected - were only 2.5 times more likely to get the disease than women without family risks.

Prior studies had indicated that such women were 4 to 6 times more likely than the average woman to suffer from malignant breast tumors

While the current study is huge and free of many of the design problems that have plagued previous studies about the genetics of breast cancer, some specialists say the current results are neither surprising nor dramatically different than those from the past. But they add that it underscores what specialists have long known: that breast cancer is

not primarily an inherited disease. There is a misconception about how much of breast cancer is due to hereditary factors, both on the part of the public and some physicians who are recommending that women get prophylactic mastectomies for a family history of the disease," said Dr. Louise Brin-ton, chief of the environmental studies sec-

# Puzzling Lights in Nearby Galaxy

New York Times Service

EW YORK — Astronomers peering deep into the core of the neighboring galaxy Andromeda are seeing dou-ble. Where there should be only one

The discovery of the apparent double nucleus in the M31 spiral galaxy in the Andromeda constellation was announced Monday by the

In a detailed examination of new photographs taken by the orbiting Hubble Space Telescope, astronomers identified two bright spots of light at the heart of the galaxy, which is the nearest major aggregation of stars to our own Milky Way. The dimmer of the two spots appears to be at the center of the galaxy. The brighter one is at least five light-years away

lactic nucleus, based on observations from

more complex than previously thought," said Dr. Tod R. Lauer of the National Optical Astronomy Observatories in Tucson, Arizona-He and Dr. Sandra M. Faber of the University of California at Santa Cruz directed the photographic analysis that led to the discovery.

been found at the center of a galaxy, but astronomers said its occurrence in the Andromeda galaxy was particularly surprising and hard to explain. The few double-nucleus galaxies that have been discovered in recent years are generally attributed to the merger of two galaxies. Andromeda had appeared to be a single, rela-

Scientists are not sure how common the double-nucleus phenomenon is. The centers of galaxies have yielded few of their secrets because they are obscured by dust and gas, although this is beginning to change with the advent of spacebased observations.

Dr. Lauer and Dr. Faber suggested two possible interpretations of the Andromeda find-

ings. One is that the brighter object might be the remnant of a smaller galaxy cannibalized by Andromeda. The other possibility is that dust might be dimming the core to create the illusion of a pair of star clusters when, in fact, they are two segments of a single elongated nucleus.

Dr. Lars Hernquist, an astrophysicist at the University of California at Santa Cruz, said in a telephone interview that the discoverers "seemed to be quite convinced that it's not dust." Normal galactic dust would scatter light in a way that would make it appear reddened and this is not the case... Astronomers said there were also problems

with the cannibalized galaxy hypothesis.

If a galaxy had collided with and was absorbed by Andromeda, it must have been very small because the collision seems to have left Andromeda relatively undisturbed.

A more serious problem, astronomers said, is that the remnant core of the colliding galaxy should have been torn apart by the black hole bypothesized to dwell at the center of Andromeda, in what is the dimmer cluster of stars. A black hole, as theorized, is a mass concentration that is so dense that even light cannot escape its gravitational pull.

lin has gone awry.

### ARIS - Yves Saint Laurent sent out a collection that was short and sweet. Short in its just 60 models and in its

brief hemlines with a whisper of Chantilly lace veiling the thighs; sweet in its succulent colors as the models glided down the runway to the strains of "The Merry Widow." And just for a moment it was possible to believe that all was right in the fashion world. an will be at an advantage if she miscarries and tries to conceive increasing her insulin production, because the balance between pla-That there are such things as symphonies of color where a violet crepe suit chimes with an cental lactogen and maternal insuabsinthe green satin blouse or the grey-brown of a sable trim is a counterpoint to the red-

By Suzy Menkes

uional Herald Tribune

brown of the velvet jacket. That there are perfect and immutable pro-portions for a scarlet boucle wrap coat or a classic pink speckled tweed suit. And rules about where a hemline should rest (high for slim-line skirts and just above the knee if the

hem (lares wider). Saint Laurent stands there as the King Canute of countre, against the flood tide of fashion chaos that has long since washed down the streets, seeped into the grandest hotels and, this week, lapped at the high-heeled shoes of haute

IS show on Wednesday was about authority of cut, backed by perfect technique and an unerring sense of taste (give or take the knickers that make their awkward way through each collection). Judged on those criteria, it was about as

perfect as you can get.

But the only faint frisson of fashion excitement was over the high hemlines, which helped to fuel a spurious debate whipped up in a dull

"They weren't so short, it was about veiling," said Saint Laurent, referring to the Chantilly lace that made a deep band like a peeping petticoat under the black and white checked skirt that opened the show, or to the black velvet suit with its A-line skirt, tiny air hostess hat and sheer chiffon blouse. This is an outfit described as "pure Saint Laurent," meaning that it is the distillation of his talent and the basis from which he builds. The architectural flourishes this season were collars standing to

attention in velvet. Chantilly and guipure lace.

cy, with a saucy insert of lace spearing one bosom on a black velvet dress and a ball dress where the bodice swooped to the midriff with a wisp of chilfon across bare breasts. Saint Laurent described backstage his inspiration as '18th century" and this gown (like the push-up bridal dress) looked more like a graceful cos-tume than anything to titillate the photogra-The collection, for all its bows on black lace

YSL as the King Canute of Couture

Saint Laurent also jousted with transparen-

and its new skirt, set on a basque at the hips with a pull of skirt below, was about pure lines and positive silhouettes, quite different from the floaty, layered look in avant-garde fashion that blurs distinctions between lengths and melts the outline. Only when YSL sent out a pale blue satin cardigan jacket over a tea-rose

For a moment it was possible to believe all was right in the fashion world.

dress, both dripping with soft ruffles, was there a sense that his firm lines might be dissolving under the pressure of change. A wistaria lace cardigan over a slim pink lace sheath was also

Otherwise there was the usual minor tinkering that Saint Laurent's fans follow like the Holy Grail: a gathered puff sleeve mostly replacing the wedge-of-cheese shoulder pad; the new skirt; the fact that all the suits were broken into different fabrics, so that you would get a contrast between jacket and the bottom half. That was especially effective when there was a play on black, with gleaming satin pants against a dull wool with its jet buttons glowing like highted coals. The overall effect was softer, but it didn't add up to much. It was as though the familiar silhouette were seen through a mist. not as though it had been shaken by a mighty

The evening clothes were graceful, classic and reassuring in their conventional femininity. The traditional tuxedo suit with its sharp edge of androgyny gave way to chiffon — black or a pout — "sexy."

flowered - that Saint Laurent blows like smoke round the body. The stiffer ball gowns - always perfectly proportioned to be neither puffed-up nor droopy — sailed down the run-way. Saint Laurent might once have wanted to rattle the bars of couture's gilded cage. No

Hanae Mori, fresh from designing dresses for the Japanese royal bride, sent out a pretty collection based on a series of asymmetric ideas. A bodice would be draped diagonally across the bosom or seams were sliced sharply at an angle to shape a jacket. Even neat and tidy day dresses in holly berry red or ivy green were broken up by wavy lines across the torso.

All these were examples of the fine workmanship in a show that had also absorbed current fashion ideas, including an apron dress that raised a good-humored guifaw from the audi-ence as the front fell away to the waist leaving the model half naked. Although Mori let her signature butterfies alight on a silver dress as jet-embroidered motifs, the most dramatic statement of her cultural roots was a Japanese print of roaring dragons on a fluttering georgette evening gown with its transparency veiled with standust embroidery.

It is a sign of a weak couture season that the only story that is making news is the long/short controversy. It seems especially fruitless in haute conture, where the whole point is that clients have the clothes made to measure and therefore will choose the lengths to suit them-

S there a danger that women with money to spend on designer clothes are going to be seeing pictures of brief skirts in haute coutnie while at the same time being cajoled to buy long skirts from the fall ready-to-

The last word on hemlines should go to Joan Collins, who sat center-front at Saint Laurent in a beige straw hat so large that it all but obscured the view of Claude Lalanne sitting behind. La Collins had on a mid-calf skirt that made up (and some) in its slinky fit for veiling

"I'm going to continue to wear short and long," she said after the show. "When it's long like this it's fun and" —a pause for a wink and

By John Noble Wilford

hucleus of densely clustered stars, they have detected two, and so are confronted with yet another puzzle over the violent forces that roil the central regions of galaxies.

Space Telescope Science Institute in Baltimore.

from the true center, but it corresponds to what astronomers had previously thought was the

By Marc Lipsitch

abetes-like symptoms are common

side effects of pregnancy. Despite

the heavy toll on the expectant

mother, scientists generally view

pregnancy as a delicate process of

cooperation between a woman and

For the past two years, Dr. Da-

vid Haig, an evolutionary biologist

at Harvard, has been examining

pregnancy using Darwinian theory.

Darwin argues that natural selec-

tion favors any gene that increases

the number of offspring an organ-15m produces. But a child shares

only half of its genes with the mother; the other half comes from the

father. As a result, the evolutionary

interests of a mother and her off-

spring can be different. The fetus

benefits by extracting as much nu-

trition as it can use from the wom-

an. She, however, must strike a bal-

ance between nourishing the fetus

and keeping resources for herself

"A woman's offspring is her leg-

acy to postenty, so it is common to

assume that pregnancy is a cooper-

ative enterprise between mother

and child. But there is very little

evidence for that," said Dr. Haig at

a conference here a few weeks ago.

"A lot of difficulties in pregnancy

probably come about because there

are genetic conflicts between what

is best for the mother's genes and

In an article that will appear lat-

er this year in The Quarterly Review of Biology, Dr. Haig explains

many of the puzzling features of

evolutionary struggle between a woman and her fetus.

About 10 to 30 percent of all

pregnancies end in miscarriage. In evolutionary terms, if a fetus has a

genetic or developmental defect

and is unlikely to survive, the wom-tive to it seems wasteful.

what is best for fetal genes."

and her future children.

XFORD. England -

Having babies has never

been easy. High blood

"Hubble shows that the M31 nucleus is much

It is not the first time a double nucleus has tively undisturbed spiral galaxy.

survival, which makes it try to pre-

Human fetuses have developed a

way to assert their interests and

lower the risk of miscarriage. In

early pregnancy, a chemical called

gonadotropin, the hormone that

which mimics the effects of lutein-

izing hormone, so that as the wom-

to interfere with the mother's hor-

nancy, biochemical evidence sup-

"Genetic conflicts have a ten-

dency to escalate, with every move

matched by a countermove." notes

Dr. Haig. The conflict between the

pregnant woman and the fetus over

the amount of sugar in the woman's

secreting insulin, which lowers the

woman limits the amount of nutri-

sulin, her sensitivity to it falls. On

the face of it, this process of mak-

ing more and more of a chemical while becoming less and less sensi-

ports the evolutionary scenario.

ing a miscarriage.

to the fetus.

its own interests.

Pregnancy: An Evolutionary Battle?

again. But the fetus has an enor- the fetus is secreting human placenmous evolutionary stake in its own tal lactogen, a hormone that blocks production of insulin to prevent her blood sugar from getting too high. By the end of presence is torced to keep raising her production of insulin to prevent her blood sugar from getting too high. By the end of presence is torced to keep raising her production of insulin to prevent her blood sugar from getting too high. By the end of presence is torced to keep raising her production of insulin to prevent her blood sugar from getting too. vent the woman's body from induc- She is forced to keep raising her high. By the end of pregnancy, pla-cental lactogen levels can be 2,000 times higher than they were in the

luteinizing hormone, manufac-Yes, research suggests that this tured by the pregnant woman, preescalation may be unnecessary, vents menstruation and allows the since a pregnancy can continue unembryo to develop. But by the end hindered even in the absence of this of the seventh week of pregnancy, control has shifted from the woman

Dr. Haig draws an analogy between producing hormones and sending a signal: "In the case of It then secretes human chorionic signaling between the mother and shows up in home pregnancy tests, the fetus, if the relationship were purely cooperative, selection would favor cheap signals, so you would an's production of it declines, the send the signal with the smallest pregnancy can continue. The gene for human chorionic gonadotropin possible amount of hormone. But in a conflict situation, you would is a variant of the gene for luteiniz-ing hormone. It allows the embryo expect selection on the fetus to create large amounts of hormones and selection on the mother to reduce monal communication to protect her sensitivity. If a message can be conveyed in a whisper, then why shout? Raised voices are often a VOLUTIONARY biolo-

sign of conflict. gists are frequently criti-cized for suggesting adaptive explanations This perspective helps explain gestational diabetes, a complicaadaptive explanations tion of pregnancy in which the pregnant woman is unable to limit for any trait they observe in an organism. But in the case of pregthe level of sugar in her blood, and which can lead to full-fledged diabetes later in life. The conflict sce-

OR doctors, understanding these hormonal games can be crucial, according to Dr. Margie Profet a researcher in the division of biochemistry and molecular biology at

tom during pregnancy, appears to be produced by fetal genes whose

function is to increase the quantity

Dr. Profet has developed the theory that morning sickness, the nausea that often occurs early in pregnancy, is an important defense mechanism. In the first trimester, developing embryos are especially sensitive to certain toxins in spices and vegetables.

the University of California at

Dr. Profet believes that nausea can prevent the pregnant woman from eating such teratogenic toxins, which might cause serious develcomental defects to the embryo. Later in pregnancy, the risk of deveiopmental defects passes, and so does the nausea. And that may be an adaptation as well: as the fems grows, the pregnant woman needs to eat increasing quantities of food to provide for it.

### **BOOKS**

blood is a tug-of-war, with each side pulling harder and harder. By CAUST: The Growing Assault on Truth and Memory amount of sugar in her blood, the By Deborah E. Lipstadt. 278 ents that goes to the fetus. But at pages. \$22.95. Free Press. the same time she is producing in-

> Reviewed by Paul Johnson NTI-SEMITISM is one of the

A oldest and most persistent of human delusions. Some Jews resignedly believe it is ineradicable. It is protean and takes countless different forms, so that it is pecu-

DENYING THE HOLO- stantly reappears in another, often Thus: "Each year a foreign govern-contradictory one. The fact of the ment literally steals millions of dolanti-Semitism everywhere, forever. The characteristic response of the anti-Semites has been to deny that it happened, and to posit the existence of yet another secret Jewish conspiracy to foist onto a guilible lie of the 'Holocaust.'
world the myth that six million This statement was Jews were killed by the Nazis.

In fact, Holocaust-denial is now probably the commonest form of anti-Semitism. In the United States, where it appears regularly on the campus and in innumerable

Holocaust ought to have ended lars from you and other U.S. taxpayers. The thief is the corrupt, bankrupt government of Israel.
... And the theft is perpetrated primarily through the clever use of the greatest lie in all history - the

> This statement was put out by an organization called the Institute for Historical Research, a pseudo-academic body that has been one of the most energetic exponents of the denial of the Holocaust. In 1979 it held the first "Revisionist Conven-

liarly resistant to empirical dis- extremist publications, it is easily tion" in Los Angeles. The institute proof: Nailed in one shape, it in- given a current political context. had been founded the year before

by Lewis Brandon, who has a long record of fascist activities. Behind McCalden was an older man called Willis Carto, identified by the Anti-Defamation League as

the most important and profession-

al anti-Semite in the United States. Born in 1926 in Indiana, Carto was a member of the John Birch Society until he quarreled with its founder. Robert Welch. He then set up his own organization, which eventually emerged as the Liberty Lobby and by the 1980s had an annual income of close to \$4 million. This financed the Institute for Historical Research and its publication, Spot-light, which by the early 1980s chimed a circulation of 330,000 and was connected with other anti-Semitic outlets such as the American Mercury, Washington Observ-er Newsletter and Noontide press.

The United States is not the only country where this form of anti-Semitism flourishes. It is to be found all over Europe, particularly in France and in former Commu nist states, in Latin America and even in Japan. Some deniers say that the Holocaust was a fabrication from start to finish. Others, such as President Franjo Tudiman of Croatia, claim that the numbers of Jews killed has been husely and deliberately exaggerated: Tudintan insists that only 900,000 Jews died.

Others produce "scientific evidence" that lews who died in the camps could not have been killed in the way historians and war crimes tribunals have asserted. In particular, they say that Zyklon-B gas was inappropriate as a homicidal agent. Another tactic is to attack the authenticity of "The Diary of Anne. Frank," which for many people per-

sonifies the tragedy of the Holo-caust. Deniers claim the "Diary" is an invention, written by a New York playwright and Frank's father. Deborah Lipstadt, who teaches

useful work on the presentation of spread of Holocaust-denial. Her object was twofold. First, she cal basis.

wanted to establish that denial activities in no case spring from genuinc efforts to question or revise esfablished history or from any concern for the truth, but are conducted by fanatics whose anti-Semitism long antedated any "scientific" interest in Holocaust studies. Second, she fears that in today's intellectual climate of deconstruction, where it is a campus game to over-turn established truth and values, Holocaust-denial is finding a recep-

tive audience among young people.
If the second point is valid, and I fear that it is, Lipstadt has pro-

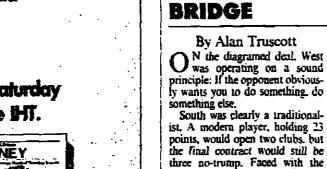
less manifestations, she provides the best possible refutation of its eligious studies at Emory Univer- conclusions by demonstrating, sity and who has already written a with names, dates and quotations that it has been inextricably associthe original Holocanst story in the ated with extremists. She shows U. S. media, has now produced a that the arguments of the deniers, documented history of the rise and when they are specifically formuwhen they are specifically formu-lated, have no scientific or histori-

> In the long run, the only way to cradicate anti-Semitism is to make it impossible for any politician, journalist, writer or academic who holds anti-Semitic views, including Holocaust-denial, to be taken seriously. Lipstadt's book is an important step forward because it means that, henceforth, any opinion-former who tries to deal in this partieular anti-Senutic coin can easily be shown to be using false currency.

> > Paul Johnson, a British historian, wrote this for The Washington Post.

• King Chail Su, the South Korean minister of trade, is reading Lester Thurow's "Head to Head: The Coming Economic Battle Among Japan, Europe, and America."
"It was very interesting to learn what Japan, the EC and the U.S. have done to improve their competitiveness... We unfortunistely have a long way to go. (Steven Brull, 1HT)



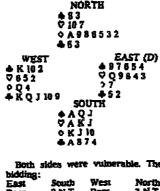


South held up his club ace until club for down one. the third round, noting a spade discard on his right. He now led the play, but West would no doubt diamond king and was disappoint have found the appropriate ed when the queen did not appear. counter. If he had led his last club He now made a shrewd play by before playing the diamond king. leading his last club, but West was she would have returned a heart,

the obvious play of cashing her last played the jack or ten of diamonds O N the diagramed deal. West carded a diamond and claimed the covered with the queen to block the principle: If the opponent obvious rest of the tricks. His last diamond suit. ly wants you to do something do could be overtaken with the ace and remaining diamonds cashed. But West was stubborn, "If he

ist. A modern player, holding 23 wants me to take my fifth club. I points, would open two clubs, but won't," she decided, and led the the final contract would still be diamond queen. This devastated three no-trump. Faced with the South He could not afford to duck. lead of the club king. South real-ized that he had a problem in dia-duced her fifth club. He therefore monds: The suit could not be run won with the diamond ace and took unless somebody held a singleton a spade finesse. Sylvia happily produced the king, and took her last

South had two other lines of too clever for him. If she had made not a diamond. And if he had



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# Elf's Chief Takes the Long View But Will He Remain at Helm After Privatization?

By Jacques Neher

Special to the Herald Tribune
PARIS — Taking the longterm view, Loik Le Floch-Prigent is betting that he will find a stable source of oil and gas in the former Soviet Union, that British gaso-line prices will rebound and that Yves Saint-Laurent perfumes will help fund research that will yield some blockbuster cardiovascular and pervous-system drugs by the end of the century.
But before the 49-year-old

chairman of Elf Aquitaine gets a First in a series on France's privatization program

chance to collect on his strategic bets, he must first win a short-term gamble — keeping his job. It may not be easy for the head of France's biggest industrial concern and the world's sixthlargest oil company. Though Mr. Le Floch-Prigent declined to discuss his tenure in an interview at his headquarters in La Defense, on the outskirts of Paris, a company spokesman says Mr. Le Floch-Prigent is "working normally, expecting to remain chair-man" until his mandate ends in

But industry analysts and po-litical observers give him an even chance, at best, of retaining his executive functions at Elf. which the government said Wednesday would be among the first companies put on the block when it kicks off its privatization pro-

gram this fall. The state owns 51 percent of Eff, which generated 1992 sales of 200.6 billion francs (\$34 billion) from its integrated oil activities, as well as its activities in specialty chemicals, through its Elf Atochem subsidiary, and its interests in pharmaceuticals and beauty

stake has a market value of 50.3

BUSAN

billion francs. The conservative government of Edouard Balladur has said it will review the top executives of the 21 companies on the privati-zation list before they are put on the market, and observers say Mr. Le Floch-Prigent is among the most vulnerable, mostly because of his ties to the Socialist Party. which was turned out of power in elections this spring, and to President François Mitterrand.

Once a member of the left wing of the party, he served in 1981 as cabinet director for the industry minister, overseeing France's vast nationalization program. He later was named chairman of the stateowned chemicals group, Rhône-Poulenc, but then was fired in 1986 after the conservatives won power and began undoing the nationalizations, In 1988, when the Socialists recaptured the major-

BNP, Rhône-Poulenc, Elf

PARIS — The government announced Wednesday that Banque Nationale de Paris, Rhône-Poulenc, Elf Aquitaine and Banque

Hervet would be the first state-controlled companies it would sell off

and Rhône-Poulenc, would begin in September, "if market conditions permit." The government hopes to raise 40 billion francs (\$690)

French or foreign banks concerned, according to the specifications

to be drawn up, the bank or banks that will advise the government on

the privatization operations for Banque Nationale de Paris and

The state bolds 73 percent of BNP, 43 percent of Rhône-Poulenc

The Finance Ministry said the privatizations, starting with BNP

"Consultations will begin immediately to select, among the

**Top Privatization List** 

nillion) from privatizations by the end of this year.

Rhône-Poulenc," a ministry statement said.

to raise money and spur competition.

392 francs on Wednesday, the ity, Mr. Mitterrand suggested his friend for another top executive oost — this time at Elf.

Mr. Le Floch-Prigent's political connections have continued to dog him, most recently in January, when he was accused by some conservatives of using Elf to enrich Pierre Berge, a close friend of Mr. Mitterrand, in acquiring the Yves Saint-Laurent perfume and couture business. Eli Sanofi acquired YSL in a deal that valued the 46 percent stake in the company held by Mr. Berge, YSL's president, and Mr. Saint-Laurent at a 40 percent premium over market value. At the time, analysts said Elf overpaid for heavily indebted YSL, and even Mr. Berge bragged of having

made a "very good deal."
Mr. Le Floch-Prigent defended the acquisition as key to bringing a "big name" to Sanofi in making it the third-largest beauty products concern in the world, after

L'Oréal SA and Estèc Lauder. Its other brands include Oscar de la Renta, Van Cleef & Arpels, Stendahl, Nina Ricci and Yves Rocher. Cash flow from the beauty products business, the Elf executive said, would help fund pharmaceutical research at a time when drug prices are coming under pressure in Germany. Italy

and the United States. Mr. Le Floch-Prigent is also reproached by analysts for his strategic choices. "There's a defi-nite feeling in the investment community of impatience with Le Floch-Prigent," said an oil-industry analysi in London who asked not to be named. "He's seen as a political operator with grandiose plans more than as someone who concerned with return on equity. Perhaps the investment community's time horizon is shorter

In 1992, consolidated net income fell 37 percent, to 6.2 billion francs, the lowest level since 1987. Operating income dropped 36 percent to 12 billion francs. With the recession taking its toll on petrochemicals and Europe's agricultural policy to take land out of production reducing demand for fertilizers, profits are still heading south. For the first half of 1993, Mr. Le Floch-Prigent expects a 25 percent drop in operating earnings, from 7.9 billion francs in the first half of 1992. And the recent drop in oil prices could take a further toll on

Indeed, the Elf executive has taken the long view in putting together his strategy over the past four years. In the oil and gas sector, which accounted for 65 percent of Elf's total sales and 70 percent of its operating earnings last year, Mr. Le Floch-Prigent has made a point of broadening

# German Rate Cut Overshadowed by Monetary Growth

By Brandon Mitchener International Herald Tribune

FRANKFURT - The Bundesbank lowered its key money-market interest rate Wednesday, confirming a return to a gradually more generous stance, but simultaneously dampened hopes of anoth-

er, more ample move next week. The German central bank cut its securities-repurchase rate, its preferred instrument for steering money market forces, to 7.15 percent from 7.28 percent. The cut was more generous than some observers had expected and led to speculation that Wednesday's move paved the way for a cut in the Bundesbank's discount rate, the floor rate for the German money markets, next week.

A second cut would be welcome to France and Denmark, two neighbors that have been obliged to defend themselves against speculation of a devaluation by raising their own interest rates. Pressure on the franc continued Wednesday, with traders saying the Bank of France inter-vened in support of the currency as the mark approached 3.42 francs. Its ceiling in the exchange-rate mechanism of the European Monetary System is 3.4305 francs.

Statements of monetary caution and statistics on German money supply growth released Wednesday. however, betrayed a resumption of inflationary expansion widely expected to stay the Bundesbank's hand for at least a month.

The chance of another rate cut is virtually zero now," Klaus Baader, UBS Phillips & Drew economist in London, told Reuters. Johann Wilhelm Gaddum, the Bundesbank's future vice president. said signs that German inflation was abating should not distract from the

central bank's liking "We'll only make use of our monetary maneuverability when it doesn't threaten our goals." Mr. Gaddum said. On Tuesday. Lothar Müller. a

Bundesbank council member and

the head of the Bavarian central bank, said, "We hardly have any room for rate cuts right now." The Bundesbank's main barometer of inflation to come, meanwhile. the M-3 measure of the money supply, expanded an annualized 7.3 percent in June after a revised 6.9 percent expansion in May, the central bank said. The Bundesbank's target range for growth in the ag-gregate — which includes cash, checking and other demand depos-

its and most savings accounts 4.5 percent to 6.5 percent for the The M-3 expansion followed a light contraction in May that the Bundesbank had used as one of several excuses to cut its discount and Lombard rates on July 1. They were lowered to 6.75 percent and 8.25 percent respectively. All of the inerest rates are charged on shortterm loans to banks that are collateralized by government securities.

Markets reacted to the Bundesbank's latest flurry of news with reservations. One economist said the Bundesbank's cut in its repo rate suggested flexibility in the face of continued foreign-exchangemarket turbulence, while others said the M-3 data spoke against a further easing.
"The Bundesbank would have a

lot of difficulty to explain how it can cut rates again with M-3 above target," said Thomas Mayer, an economist at Goldman Sachs & Co. Stefan Schneider of Nomura Research Institute agreed, saying,

See RATES, Page 10

### and 51 percent of Elf Aquitaine, along with a 55 percent holding in Banque Hervet, of smaller dimensions. A total of 21 companies have been slated for privatization by fact that it was still too high for the See ELF, Page 13 products, through its Elf Sanoli France's conservative government. unit. With Elf shares closing at INTERNATIONAL MANAGER De Larosière Is Front-Runner for EBRD Post

### Successful Black Business Is South African Anomaly

FMAMJJ

Wed. Press. % cited cited chart

102-57 102-36 +0.21

85.24 85.79 -0.64

99.93 99.82 +0.11

By Paul Taylor OHANNESBURG — Mohale Mahanyele shed his gray suit OHANNESBURG — Monaic Mananyate sales are jacket and merrily lowered himself onto the plush carpet of his executive some. "You gather around in a circle, and everyone squats," he said. "Then you pass around the calaeveryone takes a drink." He was demonstrating the traditional way to consume sorghum beer, a thick, sour beverage that African women have brewed for centuries. "If you're standing

International Herald Tribune World Stock Index c, composed

of 230 internationally investable stocks from 20 countries,

compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

The index tracks U.S. dollar values of stocks in: Tokyo, New York,

London, and Australia, Austria, Belgium, Canada, Denmark,

Zestand, Norway, Singapore. Spain, Sweden and Switzerlan In the case of Tokyo, New York and London, the index is compos-

of the 20 top issues in terms of market capitalization. In the remaining

Class: 96.73 Prev.: 97.24 Class: 93.50 Prev.: 93.89

Finland, France, Germany, Hong Kong, Italy, Nathe

17 countries, the ten too stocks are tracked.

**Industrial Sectors** 

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Services 111.93 112.21 -0.25 Miscellameous

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Index, a booklet is evaluable free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 32521 Neutly Cedex, France.

up, it's a sign of disrespect."

Mr. Mahanyele is chairman and chief executive of National

Sorghum Breweries, by far South Africa's most succes black-owned business. He was explaining how his company had reversed a long-term decline in sales of the low-alcohol, high-protein drink after buying the

as white as ever. business from a state monopoly "We understand the product much better," said Mr. Mahanyele, 54, South Africa's foremost apostle of black economic empowerment. "We have a color fit and a culture fit with our customers." Not many other corporations can make that boast in South Africa, a country that is more than 75 percent black but is run by its

Boardrooms and

executive suites are still

white minority.

And white the legal and political pillars of the apartheid system of racial separation have been crumbling, economic barriers to black advancement have been slow to fall, especially in corporate boardrooms and executives suites, which are nearly as white as ever. Just 2.4 percent of the managers in South African corporations are black, a percent of the managers in South African corporations are black, a percentage that has changed little in five years.

One reason is apartheid's thorough neglect of education for blacks. More than half of all blacks are illiterate, less than 10

percent of those who start school get a high school diploma, and nearly 90 percent of black teachers are underqualified. Besides that, the nation's four-year recession, which has thrown 500,000 people out of work, has made this not the best time economically for out of work, has made this not the dest time economically for aggressive recruitment of blacks or anyone else.

But a major part of the problem is that corporations have not been trying especially hard. South African businesses still spend just I percent of their payroll costs on training, compared with 5 just I percent of their payroll costs on training. pust a percent of them payion costs on training, compared with 3 percent or more in many Asian and Western countries. As a result, South African workers were rated next to last in a recent productivity survey of 15 developing nations. And staggering racial gaps

See AFRICAN, Page 13

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By Tom Redburn and Erik Ipsen

With the deadline extended Wednesday for nominations to replace Jacques Attali, the ousted president of the European Bank for Reconstruction and Development, Jacques de Larosière of the Bank of France stood out as the clear frontrmmer - but with some important

political horse-trading ahead. The European Bank said it had put the nominations deadline off until July 28 at the request of some founder members. A spokesman said the bank still intended to name Mr. Attali's replacement around

the middle of August. Despite some reservations about appointing yet another Frenchman as head of one of the major international economic institutions, the quiet and reserved Mr. de Larosière, a former head of the Interna-tional Monetary Fund, enjoys wide support, in part because he is such

a contrast to the flamboyant and eccentric Mr. Attali.

"He's a candidate that everyone feels comfortable with, who happens to be French," said an official of the U.S. administration. "But it's not locked up yet." According to both American and European officials, only three candidates were in sight as of late Wednesday: Mr. de Larosière;

Henning Christophersen, the Dane who is the European Community's top economic official, and the former Polish finance minister Les As the politicking over a successor began in earnest, the bank disclosed that Mr. Attali had agreed to leave without a major cash severance payoff in return for an understanding that the bank would not pursue any further claims against

him arising out of acts or omissions made in "good faith" during his two-year tenure as president. By doing so, Mr. Attali was giving up the £147,000 (\$218,000) one year's salary - that he would

normally have been entitled to upon leaving before the end of his

The bank announced the terms of his departure in an exchange of letters between Mr. Attali and

'A candidate that everyone feels comfortable with, who happens to be

A U.S. official Anne Wibble, the Swedish finance

minister who chairs the bank's board of governors. Mr. Atiali, who announced last month he would resign during the summer in response to criticism over lavish spending, left abruptly on Friday when an audit report harshly criticized his use of bank

funds for personal matters. Since the scandal broke, Mr. At-

penses, including seven chartered plane trips he did not explain. Meanwhile, the race to succeed Mr. Attali is in part bound up in the complex internal affairs of the European Community, where the

in unaccountable personal ex-

position is in some ways merely a

tali has repaid more than \$100,000 eted by Mr. de Larosière and his

pawn in the maneuvering over the placement and personnel of other important institutions, such as the future European central bank. Bonn's position is critical. any is determined to win the headquarters of the so-called Eurofed in hopes of reassuring its public that giving up the Deutsche mark someday should not be too

traumatic. Paris, by throwing its support behind the German claim, should be able to strengthen its hold on the EBRD presidency. There still could be some hitches.

Not everyone is sure, for exam-

ple, that Mr. de Larosière really

wants the London job.

One bank director noted persisient reports that the post most cov-

To win, the candidate must re ceive both the majority of the shares cast and the backing of a majority of the governors. ng 56 percent of the

government is that of the head of

The 56 governors of the EBRD.

the finance ministers of its member

governments plus officials from the EC and the European Investment

Bank, now must cast their votes.

which they say will be accom-

plished by the middle of August.

the EC central bank.

among them, the Group of Seven industrial countries can deliver the first majority by themselves. Delivering the second majority is more of a wild card.

It is the possibility of a deadlock that has buoyed the hopes of such admittedly dark-horse candidates as Mr. Balcerowicz. There is also resentment over the

headed by French officials.

fact that the IMF, the EBRD, the

Community and the OECD are all

### Statement Is Due in López Case

DARMSTADT, Germany - The public prosecutor's office said Wednesday it would issue a statement Thursday. about documents found in anapartment in Wiesbaden occupied by close associates of José. Ignacio Lopez de Arriortúa,

the production director of kswagen AG. "These documents should certainly not have been found where they were," a spokesman for the office said.

Mr. Lopez and some of his associates at Volkswagen havebeen accused by their former employer, General Motors Corp., of taking secret GM documents with them when they moved to VW from GM

# Northern Telecom Posts Big Loss, Plans Job Cuts

### iled by Our Staff From Dispatches TORONTO — Northern Tele-com Ltd. reported Wednesday a \$1

billion quarterly loss and said it would cut 5,200 jobs worldwide. The company said that special charges of almost \$1 billion in the second quarter forced it to post the loss, expected to lead to a loss for

the full year. The second-quarter loss totaled \$1.03 billion, compared with earnings of \$72.3 million in the same period a year ago. Northern Telecom paid \$1.6 mil-lion in preferred dividends in the

latest quarter, down from \$3.2 mil-

3%-3½ 3%-3½ 3%-3½

Key Money

United States

Federal funds Jimenth CDS

bon a year ago.

**CURRENCY & INTEREST RATES** 

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ties and cut its worldwide work force by 9 percent, totaled \$940 "It's pretty dramatic news," said Michael Arellano, analyst at Northern Business Info/DataPro in New York. "It sounds like the

company is trying to get rid of all its problems in one quarter.

Jean Monty, president of Northern Telecom, said: "Because of the size of these charges, we now expect a loss for full-year 1993."

The company, based in Mississauga, Ontario, is Canada's largest

manufacturer of telecommunica-

391.50 391.60 393.00

8¼ 7,20 7¼ 7,15 4,30 4,53

391.15 392.40 389.50

ECU

8 748 14 7 747 14 7 14 7 14

- 0.85 + 0.30

The charges, including provisions to close a number of its facili-sions to close a number of its faciliworks for telephone companies. It has more than 20 manufacturing plants around the world. Northern Telecom earlier said it

Alcatel is buying Northern's un-dersea-cable unit. Page 11.

expected poor results in the quarter. The news brought a sharp plunge in the company's stock and had a dampening effect on the Toronto market.

The results reflected the fact that central office-switching equipment ADVERTISEMENT

(CDRs) The undersigned announces that the First Quarter Report 1993 of Ingersoll-Rand will be available in Amsterdam at: ABN-AMRO Bank NV.

KAS-ASSOCIATIE N.V. AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, July 15, 1993.

(CDRs) The undersigned announces that the Annual Report for the year ended 31 March 1993 of Rothmans International p.l.e. will be available in Amsterdam at: ARNAMEO Rank NV

KAS-ASSOCIATIE N.V. AMSTERDAM DEPOSITARY COMPANY N.V.

sales were significantly below projections, the company said.

Northern Telecom said the charges included \$282 million for restructuring costs, a \$158 million provision to correct software problems linked to its central officeswitching equipment and a \$500

lated to the company's takeover of Mr. Monty said the loss "underscores the case for the difficult

million write-down of goodwill re-

# SANYO KLEINWORT SPAIN FUND

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The Board of Directors of Sanyo Kleinwort Spain Fund Management S.A. resolved on June 16, 1993 the payment of a dividend of USD 0.10 per unit of Sanyo Kleinwort Spain Fund (the Fund), payable on or after July 26, 1993 to unitholders on record on July 12, 1993 against surrender of coupon N° 5.

The shares will be quoted ex-dividend as from July 12, 1993. By order of the Board of Directors



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# **Dow Hits Record But Bonds Slide**

Computed by Our Staff From Departmen ed that as a signal the Fed would NEW YORK — Blue-chip stocks raise rates soon.

Although blue chips held up well rose to a record high on Wednesday. Board was serious about raising rates to combat inflation.

MARKET DIARY

The Dow Jones industrial average rose 10.62 points, to 3.555.40, surpassing the record 3,554.83 set May

### N.Y. Stocks

27. But declining issues on the New York Stock Exchange outnumbered advances by a 6-to-5 ratio.

"Considering what's happening in the bond market, it's surprising the Dow is holding up as well as it is, "said Dale Tills, manager of institutional equities trading at Charles Schwab & Co. "But the rest of the market looks pretty negative."

The benchmark Treasury bond, the 30-year issue, fell 30/32 to 106 16/32. That raised its yield to 6.62 percent from 6.55 percent on Tuesday. The move was based on the most-active issue, bucking the trend idea that "there's growth coming" among technology issues with a rise and the Federal Reserve Board "is of 21% to 48% after its earnings more going to have to tighten credit" to counter inflation, said Terrence Tiphook PLC followed up 1/2 to Crowe, a trader at Nikko Securities 10%. Reports said the British com-

pointed" with the rate of inflation tose % to 43%.
this year. Some investors interpret-

despite a jump in bond yields as to the bond decline, computer-relatingers decided the Federal Reserve ed issues were generally weak. The Nasdaq over-the-counter index. which includes many technology shares, fell 1.82 points, to 700.08.

> over-the-counter issue, falling 142 to 79. John Maxwell, an analyst at SmindView Financial Group, cut his earnings estimates for the company, citing mounting competition and weakening demand that are forcing Microsoft to cut prices in Europe. His outlook overcame some good news for the company: the Federal Trade Commission adjourned a meeting without acting on antitrust allegations against

Apple Computer fell 's to 26% on published reports that its recent plunge would persist into the low 20s. Intel fell % to 51%.

On the New York Stock Exchange, Compaq Computer was the than tripled in the second quarter.

Tiphook PLC followed, up 3/4 to

pany, which rents equipment for On Tuesday, the Fed chairman, Alan Greenspan, told the House Banking Committee he was "disappointed" with the rate of inflation.

### RATES: Inflationary Pressures

Continued from Page 9

"This isn't the kind of atmosphere in which the Bundesbank can ease

. But Gerhard Grebe, an economist at Bank Julius Bār, called the larger-than-expected cut in the Bundesbank's repo rate Wednesday proof that it was concerned with other factors as well. "The

Foreign Exchange

Bundesbank can't afford to risk another return of speculation in the summer months," he said, referring to lingering doubts about the sta-bility of the ERM.

"It also can't be immune to the state of the German economy," he said. Regional central bank presidents who sit on the Bundesbank's board and are in close contact with businesses in their areas "are well aware that there are still serious problems." Mr. Grebe said.

The Federation of German Banks, in its latest economic analysis, also said it was premature to believe an apparent bottoming out in Germany's recession would result in a quick return to steady

for new burdens next year in the form of higher pension provisions and the introduction of an expensive old-age health care tax.

Knight-Ridder, UPI, AP)

■ Deutsche Mark Advances Currency traders focused on the bloated German money supply instead of the Bundesbank's repo-

rate cut, bidding up the mark on the prospect that German interest rates will remain relatively high. Reuters reported from London. Pressure increased on the French franc, with doubts increasing that it could stay above its floor against

Despite reported intervention by the Bank of France and the Bundes-

bank, the mark rose to 3.4180 francs in London from 3.4147. Later in New York, the dollar weakened slightly, to 1.6976 DM from 1.6998, but the move was muted by uncertainty over the Bundesbank's policy, United Press International reported.

Gold dropped below \$390 an

Dow Jones Averages The Dow Daily closings of the Dow Jones Industrial average Standard & Poor's Indexes NYSE Indexes High Law Class Chips 3300 -- 247.40 -- 0.11 -- 24.83 -- 0.19 -- 240.00 + 1.14 -- 219.04 -- 0.07 -- 232.40 -- 0.04 Microsoft was the most-active **NASDAQ Indexes** JFMAMJJ **NYSE Most Actives** AMEX Stock Index High Low Close Chage 434.05 432.72 433.31 -- 0.48 Dow Jones Bond Averages **AMEX Most Actives** Market Sales NYSE 4 p.m. volume NYSE prov. cons. clos Amer 4 p.m. volume N.Y.S.E. Odd-Lot Trading NYSE Diary S&P 100 Index Options Amex Diary -NASDAQ Diary the mark in the exchange-rate

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### **Ways to Boost Derivatives**

ounce for the first time in two regulations that discourage the use of derivatives, removal of legal and weeks, with the August contract on regulatory uncertainties for the market, and consistent guidance on the Commodity Exchange ending accounting and reporting of derivatives and other financial instruments. at \$389.50, down \$2.70 for the day.

The study did not see the need for any changes in the current regulatory

# **EUROPEAN FUTURES** Low Lost U.S. dellers per metric ten-sets or int. Ann 1900 1542 15773 15793 See 16400 157.93 15793 15793 See 16400 157.93 15793 15793 New 164.93 16203 161.75 New 164.93 16203 161.75 New 164.93 16203 162.93 See 164.75 164.75 164.75 Jen 165.75 164.75 164.75 Jen 165.75 164.75 164.75 Jen 167.75 164.75 167.75 Jen 167.75 167.75 167.75 Jen 167.75 167.75 167.75 Jen 167.75 167.75 167.75 Jen 167.75 167.75 Jen 167.75 167.75 Jen 167.75 167.75 Jen 167.75 Je BRENT CRUDE OIL (IPE) Spet Con **Financial** Lead, ib Silver, troy oz Siael (blillets), Steel (scrop), Tin, ib Zinc, ib Dividends

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# U.S./AT THE CLOSE

AMR Chairman Unhappy With Profit

FORT WORTH, Texas (AP) — AMR Corp., the parent company of
American Ardines, said Wednesday it had earned \$47 million, or 39 cents
a shate, in the second quarter, but its chairman said the results were
tinsatisfactory

unsatisfactory.

Revenue was up 17 percent at \$4.21 billion. A month ago, American warned that it was attracting fewer fliers than expected, and analysis then reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from around 70 reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their estimates of AMR's per-share earnings from a reduced their

cents to a range of 20 to 30 cents.

The AMR chairman, Robert Crandall, said in a statement accompanying the earnings report: "While we are pleased to be reporting a small profit, our net margin is wholly inadequate." He said that revenue and costs "remain clearly out of balance" and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in estimated and that "present trends will not result in the estimated and that "present trends will not result in estimated and that "present trends will not result in the estimated and that "present trends will not result in the estimated and the estimated and the present trends will not result in the estimated and t result in satisfactory earnings."

### 2 Traders Indicted for Bond Spree

CHICAGO (AP) — Two former futures traders were indicted on federal wire fraud charges Wednesday for an unauthorized trading spree that joined the government bond market and nearly ruined a trading firm.

Acting U.S. Attorney Michael Shepard amounced the charges against

Anthony Catalfo and Dairell Zimmerman nine months after the incident stunged world financial markets.

In May, the Chicago Board of Trade concluded after an investigation that the pair engaged in a conspiracy to manipulate the bond market and ordered them to pay \$8.6 million in damages to Lee B. Stern & Co., a cleaning member of the exchange that was nearly bankrupted in the process.

### Compag's Net Tripled in 2d Period

HOUSTON (Combined Dispatches) — Compaq Computer Corp. said Wednesday that second-quarter earnings more than tripled to \$102.3 million, from \$29 million a year earlier.

The world's fourth-largest computer maker also said sales rose 97 percent to \$1.63 billion, from \$827 million. Its rival. Apple Computer Inc., posted a record loss last week.

(AP, Bloomberg)

### Dynamics Gains Despite Sales Drop FALLS CHURCH, Virginia (Combined Dispatches) — General Dynamics Corp. said Wednesday that increased productivity and profit in its submarine and armored vehicle lines helped boost earnings despite

lower sales.

Profit from continuing operations rose to \$57 million, from \$36 million, despite a drop in sales to \$793 million from \$852 million. The company's funded backlog at the end of June was \$7.2 billion, compared with \$8.7 billion at the same time last year. (Bloomberg, Knight-Ridder)

Johnson Unshaken by Strong Dollar

NEW BRUNSWICK, New Jersey (Bloomberg) — Johnson & Johnson said Wednesday that first-quarter net income had grown 9.5 percent even though a stronger dollar, weak economies in Europe and controls on drug prices in Germany and Italy undermined arounds. prices in Germany and Italy undermined growth.

The world's largest health-products company said net rose to \$495 million, or 75 cents a share, from \$452 million, or 68 cents a share.

### For the Record-

The Federal Trade Commission adjourned without taking any action on its long-running investigation into allegations of antimust violations by the software giant Microsoft Corp.

(AP)

Colgate-Palmolive Co., citing its reduced overhead and sales gains in Latin America, Asia and Eastern Europe, said second-quarter net income jumped 15 percent to \$142.4 million from \$124.4 million Sales slipped to \$1.77 billion from \$1.79 billion.

Schlumberger Ltd. said second-quarter earnings fell 9 percent to \$169 million despite higher revenue and a rebound in demand for oil-field

Burger King Corp. named James Adamson its chief executive officer, succeeding Barry Gibbons, who will continue as chairman of the unit of Grand Metropolitan PLC of Britain.

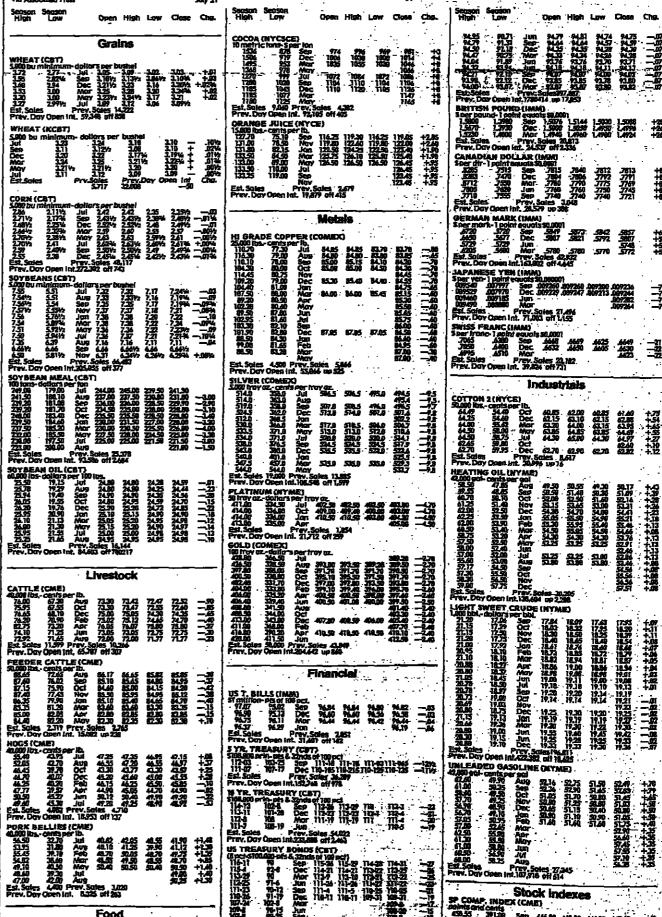
(AP)

WASHINGTON — A study by financiers, bankers and academics on the derivatives market recommended some tax and legal changes, as well as changes to international credit-measurement standards, to spur trading in these complex financial instruments.

The report, by the so-called Group of 30, urged changes to tax the tradition to the discourse the tradition of desiratives.

Analysts cited the threat of tighten-ing by the Federal Reserve Board. would be at cross-purposes with the existing framework of supervision.

### **U.S. FUTURES**





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# Hunger Strikers at East German Mine Call for Talks

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BISCHOFFERODE, Germany - Workers at Mirseldentsche Kali AG, where dozens of Past Germans are on a hunger strike to protest the planned closing of a potash mine, said Wednesday they remained "ready to negotiate" over government concessions aimed at guaranteeing their jobs.

"We've always been ready to negotiate," said Herbert Apel, a member of the workers' council at the plant here. "We've never slammed the doors on talks. It's the government that's done that."

A few dozen of the plant's 695 workers began a hunger strike this month to protest plans to close the plant by year-end as part of a merger of Mittel-deutsche Kali with Kali & Salz AG, which is a unit of

the major German chemical company BASF AG. The number of hunger strikers has fallen from 41 to 35 as some have been hospitalized, Mr. Apel said, and five more are likely to be taken to the hospital soon. Others have joined in the protest to replace some of those hospitalized.

The merger, already approved by the German government, is subject to a routine preliminary antitrust investigation by the EC Commission, which started this week and is expected to take about a month.

"Our chances look pretty dire if nothing comes out of the investigation," Mr. Apel said. He said the workers had asked the state government

said: We want to know exactly what these plans are and what the jobs will be."

The federal government originally offered to secure around 700 jobs until 1995 by setting up a "develop-ment company" for the salt and potash industry in the region. The Treuhandanstalt - the government agency charged with selling off businesses owned by the former East German Communist government — and Kali & Salz were to hold stakes in the new company.

After the workers rejected that proposal, the goverument of Thuringia said it would guarantee the jobs beyond 1995. A spokesman for the state government, wever, said he couldn't say where the jobs would be. "We might have a clearer picture after the develop-

ment company has been set up," he said. Few would argue that the potash industry, which employed 32,000 workers in the days of the Communists, could survive as it was in a free market. But the miners said they still had customers for their product, in France, the Netherlands, and Scandinavia, where it

is used to make chemical fertilizer. The mine has become a symbol of the mood of betrayal that for many has soured the joy of German reunification three years after capitalism came to the

eastern part of the country. We've lost 25,060 jobs in this area just in the last

people of Eastern Germany have made tremendous sacrifices for unification, but the politicians in Bonn are just letting BASF wipe out the competition and establish a monopoly for itself."

Kali & Salz, based in Kassel, denied it had any plans for a monopoly but insisted that keeping the Bischofferode works open was economically unleasible, and that the national mine workers' union agreed. The company added that the consolidation would also throw out of work about 1,700 miners in two of its mines in Western Germany.

"We completely reject the charge that a West German concern is trying to rationalize at the expense of East German workers," the company's top officials said in a letter to employees this month. The management promised to use \$600 million being contributed by the Treuhandanstalt to modernize the mines that will remain in Eastern Germany after the shakeout.

For Mr. Eruner and millions of other East Gerans, reunification was a vast sellout that made the 62 million people of the capitalist West richer and the 16 million of the nearly bankrupt East poorer.

"The people here don't want communism back," he aid. "They seed let down by all the political parties."
To many West Germans, on the other hand, Easterners seem to want a quick, free ride to the prosperity

of Thuringia for specific details about plans to guaran-three years," said Walter Ertmer, a 39-year-old mem-it took them 40 years to achieve. For this reason, they ber of the mine employees' factory council. "The tee their jobs. "We don't want empty promises," he support and contributions from West Germans. Meanwhile, in Bonn. Chancellor Helmut Kohl said

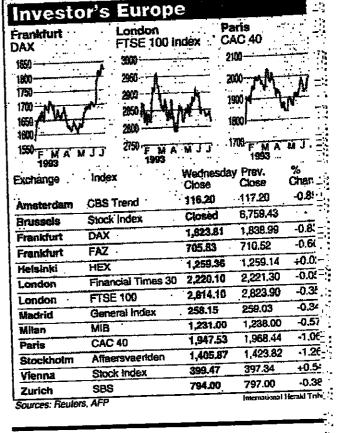
he would personally guarantee the government's offer of employment at other jobs for the 700 miners through 1995 if they would stop their hunger strike.

But the strikers seemed unimpressed. "How do we know he'll still be in a position to keep his promise in 1995?" Gerhard Juttermann, deputy head of the factory council, asked. Mr. Kohl, who rode the euphoria over the fall of the Berlin Wall and the unification of the country to an election victory in 1990, will have to face the voters again at the end of next year.

And in Bischofferode, the last two of the original hunger strikers, who had been without food since July l, broke off the action Tuesday and were taken in ikened condition to a hospital.

"We don't want anybody to carry things too far." said Erich Heberstrett, a 37-year-old father of two, who joined the hunger strike Monday. "We'll carry on until we get a good and convincing written explanation from somebody of why the mine can't be kept

operating, and then we'll see. Asked what future he saw for himself or his sons here, he said: "Probably none. If the mine closes, I'd have to tell them we'll have to move to the West, tuse that's where the jobs are." (Bloomberg, NYT)



# Lonrho to Sell Stake in Krupp Venture

LONDON — Longbo PLC said Wednesday it would sell its 50 percent stake in the international trading company Krupp Lourho GmbH for 282.5 million Deutsche marks (\$166.2 million), a move that analysts said would mean a more acceptable level of debt.

By continuing to reduce its debt, Lonrho is encouraging investors to take a closer look," said Ian Hilliker, an analyst at NatWest Securities.

With the sale of its stake in Krupp Lourho, net debt of the conglomerate, which has interests ranging from mining to hotels, is now at about £470 million (\$714.4 million), analysts said, down from £849 million at the end of September 1992 and from about £600 million on March 30.

LONDON - Economic recovery in Britain

is still patchy, according to a survey by the British Chambers of Commerce released

The survey, covering 8,587 British compa-

nies, said there was still weaknesses in manu-

facturing exports, import compension, cash flow for smaller companies and employment.

Christopher Stewart-Smith, president of the

chambers of commerce, said in a statement that

Britain's "ability to compete internationally

remains patchy. The slowdown in export

growth comes at a time when many of our

overseas markets, especially in the EC, remain

Lourho's debt-to-equity ratio is estimated to be below 30 percent, down from 35 percent

"Loarho's gearing is now extremely low," said Richard Jagger, analyst at Grieg Middleton & Co. "Historically they've been happy with gearing at around 50 percent, and in the last few years its been as high as 80 percent."

Lonrho said the sale was to its joint-venture partner, the German steel group Fried. Krupp AG Hoesch-Krupp. Krupp Lonrho will become a fully owned subsidiary of the German group, pending approval by the German antitrust authorities.

Since the beginning of the year, Lonrho has been selling off its peripheral businesses to

Manufacturers' exports were unchanged, but

failed to build upon the good export growth

seen in the first quarter, the group said. In the second quarter, 20 percent of manufacturing

companies reported higher export sales and order levels, unchanged from the previous

Some 27 percent of service providers report-

ed increased sales, compared with 13 percent in

the first quarter, a gain of 14 percentage points.

forces during the quarter, I percent are now

planning to increase their staff. The size of the

service-sector work force remains unchanged

to increase their staff, the survey said.

although 10 percent of service companies plan

Although manufacturers reduced their work

Survey of British Companies Shows a Patchy Recovery

plantation interests.

In March, it reduced its debt burden by £147 million through the sale of its German real estate concern Gewog, and two months later it sold its improfitable Observer newspaper to a unit of the Guardian & Manchester Evening News PLC for £27 million.

Given the improvement in precious-metals nices, investors are likely to feel more comfortable with Loarho, and especially with the reduction in group debt." Mr. Hilliker said.

Loarho's decision to sell its stake in Lonrho Krupp had been expected, though

Separately, British retailers reported that

sales advanced a seasonally adjusted 1.3 per-

cent in June from the previous month, and 3.9

percent from the year earlier. But analysts and

retailing organizations said that the better-

than-expected figures did not point to immi-

than previously reported, showing a 0.1 percent

decline against the 0.2 percent fall initially

The revised figures for May were also better

The improvement comes from "incentive

buying, "said Stephen Wheeler, a retailing ana-

been lured back into the shops in the summer

nent recovery in the sector.

the price was much higher than many analysts anticipated. Lonrho bought its 50 percent stake in Krupp Lonrho in 1988 for 200 million DM.

# Alcatel Takes Lead In Undersea Cable

French electrical-engineering concern, said Wednesday it had agreed next six years. to buy the arm of Canada's Northern Telecom that makes undersea

Its Alcatel Cable subsidiary will pay about £600 million (\$906 million) for STC Submarine Systems. creating the world's biggest undersea-cable group with total sales of \$912 million a year.

The Alcatel Alsthom chairman, Pierre Suard, said the purchase was more expensive than Alcatel normally liked to pay, at just over twice STC Submarine's annual rev-

The combined STC-Alcatel business will have about 40 percent of the world submarine-cable market. he said. That will put it ahead of the world leader in the field. American Telephone & Telegraph Co., which

has around 33 percent. He said the STC unit's profitability, plus the research-and-development synergies between the two, justified the price. Undersea cables demand particularly heavy

research-and-development spending, he noted. The world undersea-cables marlyst at Greig Middleton Ltd. "Consumers have ket is one of the fastest-growing

is expanding at about 15 percent a PARIS - Aleatel Alsthom, the year. The market is likely to be worth about \$12 billion over the

> The main production facilities owned by Alcatel Cable are in France and Australia. STC is based mainly in Britain and the United

### EC Won't Add **Merger Powers**

BRUSSELS - Karel van Miert, the EC commissioner for competition policy, will not seek increased power for the EC Commission to review proposed corporate mergers. commission officials said

Wednesday. They said antitrust authorities in several European Community countries were op-

posed to the idea. The commission investigates 50 or 60 planned mergers, takeovers and joint ventures a vear

### Very briefly:

Compagnie de Suez will raise its stake in Compagnie Financière Groupe Victoire to 63 percent through a securities swap with Dai-Ic-Mutual Life Insurance Co. Suez plans to issue 2.2 billion francs (\$377) million) of convertible bonds in exchange for 850,000 Victoire shares. 4.97 percent, held by Dai-Ichi, which will increase its stake in Suez to 3.: percent. Union des Assurances de Paris owns 34 percent of Victoire.

• Italy's gross domestic product fell 0.9 percent in the first quarter 1993, compared with the level a year earlier, and it was down 0.1 percenfrom the fourth quarter. Most of the slump was in construction ar processing, while there was growth in agriculture and energy. • Hanson PLC will take a £29 million (\$43.6 million) charge in its thir

financial quarter, which ended June 30, because of strikes at its Peabod-Holding Co., an American coal-mining subsidiary.

 British Coal had a loss of £588 million in the year that ended March 3. compared with profit of £185 million the previous year, reflectin provisions linked to layoffs at the state-owned concern.

• Fakker NV reached accords to sell 11 F-100 aircraft to four buyers: Ai U.K. will purchase four planes. Palair Macedonia will acquire two antwo additional buyers, who did not want to be named, will buy th. remaining five. All the planes are to be delivered soon.

### Daimler Allegation Unproven merger was announced in April.

by 84 DM (\$\$49.41) at the time the man said: "I won't deny that."

Rhamberg Business Nows

FRANKFURT - A German watchdog commission said Wednesday that it found no evidence of insider dealing in the planned merger of Daimler-Benz AG with Mercedes AG Holding.

The investigation was launched after shares in MAH, which holds a mer chairman of Germany's powquarter of Daimler's stock, soared erful IG Metall union, the spokes

The probe against one specific person who publicly admitted to have traded shares as an inside had to be stopped as that person hasn't signed the voluntary inside. guidelines." said a spokesman fo. the commission. Asked whether that was Franz Steinkühler, the for-

# depressed or face deepening recession.

NASDAQ prices as of 4 p.m. read for the 1,000. This list compiled by the AP, consists of the 1,000 that standard excurities in terms of dollar value. It is undated twice a year.

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## ELF: Chief Takes a Long View, but Will He Be Around to See It Through?

Continued from Page 9 nestream emploration and production beyond the company's traditional areas of operation in the Gulf of Guinea, in West Africa, and in the North Sca.

A of Gred

companies pursuing oil and gas in the former. Soviet Union, signing oil production sharing agreements last year with Russia and with Ka-zakhstan. He is currently in talks with Uzbekistan, believed to hold one of the largest supplies. of gas in the world.
"Our core business is upstream, so we want

to be stronger in this area." Mr. Le Floch-Prigent said. "I hope that by the end of the century we will be producing in the former Soviet Union as well as the Middle East."

Eff, he said, would dedicate 20 percent of its exploration investments to the Commonwealth of Independent States over the coming years. If drilling is successful, the region should supply a like portion of overall oil and gas revenues. Drilling in Kazakhstan should begin at the end

persist in certain professions. In a nation of 30 million blacks, South Africa still has not a

single black stockbroker.

Given all this, National Sorghum Breweries' record has been remarkable.

record has been remarkable.

When the government decided to privatize the sorghum-beer industry in the late 1980s and hired Mr. Mshanyele, then a management consultant, to advise it, one analyst said it was unloading "an old Third World product doomed to die." Sales had been dropping for 20

years, as blacks migrated to cities from the villages where the drink is embedded in rural

Conflict over China's arms sales

Sarajevo doomed?

US - Asia trade relations

"I'm quite impressed the way senior manage ment has made it clear that it believes Europe is the natural market for the CIS and that the CIS is the natural producer for Europe," said Jona-tion Stern, head of the London consultancy North Sca. ... than Stern, head of the London consumant. He has put Elf at the following Western of Gas Strategies and an energy expert on the former Soviet Union.

He said the biggest risks for Elf were not so much whether it would find oil, but whether evolving political conditions would permit the company to extract it and get it out of the region at a profit.

"This region is at a turning point, full of political turbulence," Mr. Stern said. "It's a certainty that all the people they're dealing with now won't be there a few years from now." In its downstream operations, Mr. Le Floch-

Prigent has moved aggressively to expand refu-ing and marketing out of France, where the industry has suffered over the past decade because of an oversupply of refining capacity and an overbuilt network of service stations. As part of that expansion, Eli bought the

AFRICAN: Black-Owned Company's Success Is South African Anomaly

In addition to the adverse demographics, the breweries had to overcome sorghum beer's political stigma, created during the 80 years when

the white-minority government was in the brewing business. "Kaffir beer," as it was known, became a symbol of white oppression, just as government-run beer halls in black

townships became a target of boycotts and

"Here was a drink that had always been

associated with festive occasions, and it had

been taken away from us and tainted," Mr. Mahanyele said. "It was humiliating, degrading. I wanted to restore the dignity of sorghum."

was beginning to experience a price war that cut deeply into profit margins. "We're in this business for the long term, not just for one or two years," Mr. Le Floch-Prigent replied. "When margins are good, we make a lot of money, but I don't say it's a big success. Now that margins are down, I don't say it's a fail-

Heron network of service stations in Britain from Amoco (UK) Ltd., a 31 percent stake in

Compania Española de Petroleos SA, the Spanish refiner and marketer, and, in Eastern Germany, it acquired the Minol network of 850

stations. There are now more than 5,000 service stations in the Elf network, with only 1,800 in

Not all acquisitions have gone as planned. Nick Antill, an oil analyst with Hoare Govett in

London, called the British acquisition "disastrously overpriced," considering the market

Meanwhile, to fund new investments in the poor economic climate, Mr. Le Floch-Prigent aims to sell 5 billion francs in assets.

He had to raise \$20 million to purchase the

business and its 21 factories nationwide, but he had no access to white capital. So he did some-

thing never attempted here: He sold shares to blacks, building on the centuries-old custom of stokyels — small, informal savings societies — in black communities.

National Sorghum Breweries has 10,000

shareholders, more than 90 percent of whom are blacks - a novel arrangement in a country

where few blacks own the roofs over their

heads. Its board and management team, once all white, are nearly all black. Most of its contractors are black, including 500,000 small

independent distributors.

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**COMPANY RESULTS** 

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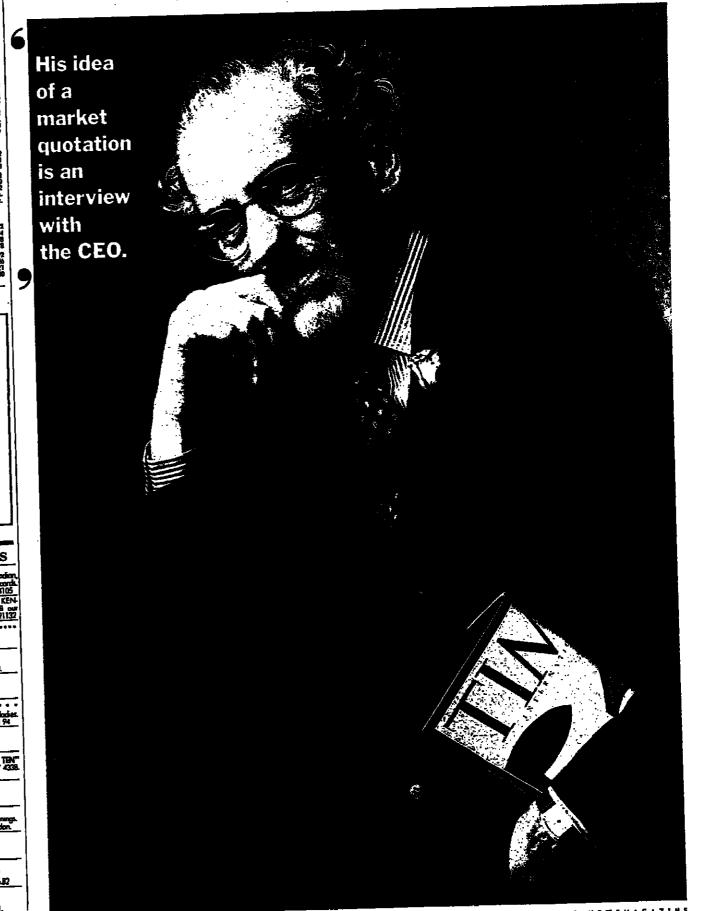
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MALIARA PARAMINENT 15764.09 10549.89 329.00 UCHANAN FUND LIMITED To subscribe in Germany just call, toll frae, 0130 84 85 85 DIT INVESTMENT FFM Ot LIG. (207) 295-4090 c% Bornt of Be 41) LTO 16.36 AS - Australian Dollars; AS - Austrian Schillings; BF - Belgion Francs; CS- Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit: FF - French Francs; F1 - Dutch Florin, Lif: Italian Lira; LF - Luxembourg Francs; p-pence; Pas- Pesens; SG3 - Singapore Dollars; SF - Swiss Francs; Y - Yec: 4 - asked + - Offer Prices; N.A. - Not Available; H.C. - Not Communicated co - New: 5 - suspended; SF - Swock Spill; "- Ex-Ovidend; "- Ex-Ris; - 9 Offer Price and Jr. - Press archange; a - misquoted earlier; a-not registered with regulatory authority. For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

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# **Unit Head** At Nippon **Steel Quits**

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Compiled by Our Staff From Dispatche TOKYO - Enji Moriguchi, chairman of Nippon Steel Chemical Co., has resigned over the company's losses from foreign-exchange deals, the company's president, Ta-keshi Miyazaki, said Wednesday. Mr. Miyazaki said Nippon Steel

Chemical had suffered losses of about 14 billion yen (\$128.9 million) on forward foreign-exchange

The company's 17 executives, including Mr. Miyazaki, will cut their salaries by 10 percent for the time being to take responsibility for the loss, he said. Mr. Moriguchi will become the company's adviser.

The comprehensive chemical company, which is listed on the Tokyo Stock Exchange's first section, will write off the unrealized losses within the current business year by selling land and stock in a bid not to hurt profits, Mr. Miyazaki said. Nippon Steel Chemical currently

has assets and stock-holdings worth 25 billion yen, which will cover the losses, Mr. Miyazaki said. The loss was discovered earlier this month. Minoru Muraoka, a former director in charge of accounting who died in an accident in May, was believed to have engaged in futures trading at his own discretion without approval from the board, Mr. Miyazaki said.

Nippon Steel Chemical will make sell orders on all the relevant forward-exchange contracts in a few days and will settle the losses, Mr. Mivazaki said.

The subsidiary of Nippon Steel Corp. posted a parent current loss of 7.2 billion yen in the year to March 31, after posting a current profit of 1.09 billion yen the year before. It expects a 3.8 billion yen parent current loss in the current

# **Bad News: More Vacations** Japanese Workers Fear Layoffs Next

TOKYO - Japanese companies, their business slowed by recession, are giving workers more summer holidays this year.

. But the additional vacation time is not helping employees feel more relaxed. Instead, it is being forced on them in some cases, and many workers fear that layoffs will be the next step, said Satoshi Shimamoto, senior economist at MMS International, a market advisory concern.

The increase in days off is a response to the sluggish demand that has mired Japan's economy, namoto said. Industrial production data for May showed that producers inventories rose 0.6 percent from the previous month and that

output was down 4.2 percent from May 1992. Like most other major Japanese manufacturers. Yokogawa Electric Corp. closes for a holiday during the summer in addition to the 20 working days of paid annual leave it offers employees.

This year, however, Yokogawa will close for longer than usual, giving its 6,800 full-time employees 13 days of summer vacation, compared with nine days last summer.

The summer closing has been getting longer in recent years, partly to get workers to take more of the days off to which they are entitled and thus to hold down surplus production. Wataru Yaegashi, a okesman for Yokogawa Electric, said employees last year took an average of only 13.8 personal

vacation days, despite being allowed at least 20.

Toyota Motor Corp. plans to instruct its fulltime workers to use up one of their paid vacation days on a specified date to extend the company's gular nine-day closing to 10 days. A spokeswoman said the decision had been

made by agreement with the company union. "Exporters have been hit by both the domestic recession and the high yea," Mr. Shimamoto, the analyst, said. Domestic auto sales, for example, were down 11.6 percent in June from a year earlier. The average work week also has been getting

shorter in response to slumping demand in the domestic and world economies. Japanese employees in the manufacturing sector

put in an average of 41.4 hours a week in 1991, compared with about 43 hours in 1988, according to a booklet published by the Japan Institute for Social and Economic Affairs.

# Thai Software Law Criticized

BANGKOK — A draft copyright law in Thailand to protect computer software has several loopholes that would make enforcement difficult, a lawyer representing software producers said Wednesday.

Software piracy is rampant in Thailand. Popular programs are sold for 35 baht (\$1.40), little more than the price of a diskette. The Thai cabinet gave final approval Tuesday to a

bill to amend the copyright law to specifically protect computer software.

"It's good to have a law that clearly protects computer software, but I think it's bad to have a law that seems to be protecting software, but deep down inside is something detrimental to copyright owners," said (Reuters, Bloomberg) Ruthorn Noppakun. His law firm represents the Busi-

ness Software Alliance, an organization formed by some of the top U.S. software producers to deter copyright violators.

Mr. Ruthorn said several sections of the draft law were ambiguous, which "could cause trouble in the future." He cited a provision that would allow an individual to make copies of software for personal use as long as this did not "excessively" affect the legal ights of the copyright owner.

He said that in the case of high-priced software, one copy would be excessive. The price of legal software in Thailand is often twice the U.S. price because of duties

Another clause in the draft law would allow government bodies to make copies of software without being held liable. Mr. Ruthorn said government bodies are the largest users of computers.

# **Autoworkers Reach Provisional Accord** In Hyundai Dispute

The Associated Press

SEOUL - Negotiators reached a provisional pay agreement at South Korea's largest auto plant on Wednesday as police firing lear gas drove striking workers from a factory producing military tanks.

In Ulsan, negotiators at Hyundai Motor Co. reached agreement, subject to approval by 30,000 workers a vote on Friday, calling for a 4.73 percent pay raise, a limit set by the government to fight inflation.

The agreement also calls for reinstatement of 12 of the 13 union leaders expelled for past strikes, but does not grant an earlier union demand for more say in management. It also called for more housing allowances and annual bonuses.

If ratified, the agreement would settle a 36-day-old dispute, which has been marked by slowdowns

Many Hyundai autoworkers said they might vote down the provi-sional agreement, which falls short of their original demand for 16.5

Hyundai estimates the average pay of one of its autoworkers with years experience at \$1.670 a

The police action underlined a tougher policy by President Kim Young Sam's civilian government, which had allowed more freedom to labor as part of its reform drive. Under Korean law, strikes are

banned at all defense-industry Past military-backed govern-ments held a tight lid on labor

activities, often touching off violent clashes. Mr. Kim's government says it is being forced to change its

policy because of the prolonged strikes.

About 2,000 police in the southern city of Changwon stormed the Hyundai Precision Industry Co. plant, where about 1,600 workers went on strike Monday to demand higher pay and better working conditions, the Yonhap news agency

About 400 workers who remained inside the plant overnight did not resist as police removed barricades erected around the plant's main gate and moved in. Yonhap said. Police arrested 288 workers and took control of the plant in the southern port city.

Police said they had warrants to arrest five union leaders who organized the strike. Before it began Monday, there had been work slowdowns for three weeks at the

had to get tough on the Hyundai disputes because of their adverse effect on the nation's economy. which is showing signs of recovery from a three-year recession.

Government officials said they

Production lost at the auto plant the last 36 days was estimated at .54 billion. Auto exports were \$283 million less than planned during the period, they said.

South Korea's once-robust economy grew by only 2.7 percent in the final quarter of last year and by 3.3 percent in the first quarter of this year, the lowest growth rate in 10

Hyundai is a leading conglomerate that produces tanks, ships, electronics, containers and autos. Its units have been hit by violent disputes in the past five years.

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### Very briefly:

Investor's Asia

East Japan Railway Co. will be listed on the Tokyo Stock Exchange in October, completing the conversion to private operation of the first of seven companies spun off from the former Japan National Railways in

China will buy some 620 planes worth \$44 billion between now and the year 2011, according to Airbus Industrie's latest market forecast.

Nippon Telegraph & Telephone Corp. will apply to list shares of its subsidiary NTT Data Communications System as early as next year.

• Japan's economy will grow by an inflation-adjusted 1.9 percent during the fiscal year through March 1994. Okasan Economic Research Institute said; the pace is expected to be slow until January.

Broken Hill Pty. reported higher domestic and foreign steel shipments for June but on a month-to-month basis, domestic steel shipments fell 11 percent in June from May and exports were down 17 percent.

 Minotta Camera Co, will raise export prices of cameras by an average of 8 percent starting in July because of the appreciation of the yen against

 Coca-Cola Co. has joined with the Kerry Group to build bottling plants in China and signed a contract for a joint venture in Vietnam.

 Chinese workers looking for employment overseas got official support when the government set up its first overseas job agency.

AFP, Reuters, Bloomberg, AFX

# China Authorizes Firms to Sell Its Bonds

BELJING - In another market-style reform, China announced Wednesday that it would start to allow banks and other companies to sell Treasury bonds as primary dealers.

Officials from the Ministry of Finance, the China Securities Regulatory Commission, and the Stock Exchange Executive Council said at a news conference that 19 financial institutions had been anthorized for the first time to act as primary dealers in Chinese government bonds. stock exchange council's vice president, Wang Boming, said.

Under the plan, by the end of the month, financial institutions will underwrite 2 billion ynan (\$348 million) of Treasury bonds from the government and sell them to investors.

Although experimental underwriting was introduced in a limited way in 1991, this will be the first time the institutions will adopt the nese regional securities firms.

Such a system is "very popular in Western method of net price quotation and trading countries in the issuing of Treasury bonds," the bond, without the accrued interest.

The council will be responsible for coordinating and organizing the syndicate, which will include state-run specialized banks such as Industrial & Commercial Bank of China. Other members are China Securities Co., China Venturetech Investment Co., China International Trust & Investment Co. and a number of Chi-

# China Accuses Foreign Firms of Underpaying

BEIJING —A number of foreign joint ven-tures in China have been accused by the Labor Ministry of underpaying their Chinese employ-ess and disregarding rules of the labor code, the

official China Daily said Wednesday. A ministry report found that 10 percent of requirement that Chinese employees of joint ventures be paid 20 percent to 50 percent more

than workers in state-owned factories. In the central province of Hubei, ministry investigators found that some joint ventures had paid employees annual salaries 360 yuan lower than those received by their public-

the government line on salaries, namely the sector counterparts, the newspaper report said. It also said that Chinese executives in some joint ventures had complained that their sala-ries were only "one-tenth to one-twentieth" of those paid to foreign colleagues employed by the same concerns.

In Hubei, the China Daily added, some women were laid off because they were pregnant.

### BAe's Taiwan Venture Advances in Legislature

The Associated Press

TAIPEI - The planned commuter-plane venture between British Aerospace PLC and Tai-wan Aerospace Corp. advanced Wednesday, as an opposition politician said he would support the deal and the government promised to lobby for financing.

Yang Shih-chien, Taiwan's vice economics minister, said his ministry would recommend that a banking consortium led by the state-run Chiaotung Bank provide \$400 million in loans to a leasing company that would be set up to help customers acquire the venture's airplanes. If the consortium agrees to the

loan, Mr. Yang said, "Taiwan Aerospace can then tell its part-

ner that the new venture can be set up." The government owns 29 percent of Taiwan Aerospace. Mr. Yang said the Taiwan

government would provide lowinterest loans to help finance one-third of the venture's \$1.7 billion costs in developing an RIX jet, a new model scheduled to enter production in 1998.

The government also would invest more money in Taiwan Aerospace, which needs to increase its capital fivefold.

The opposition Democratic Progressive Party, meanwhile, apparently decided to support the project. Earlier this month, legislators from the party said the venture would make uncompetitive, unprofitable planes.

# Malaysia to Invest in Energy

KUALA LUMPUR — Malaysia will invest about 10 billion ringgit (\$4 billion) in new power plants over the next five years to meet the rapidly growing demand for electricity, the country's energy minis-

ter said on Wednesday. Half the amount will be spent by the state-owned utility Tenaga Nasional Bhd., while the rest will come from the private sector, S. Samy Vellu said in an interview.

Malaysia's demand for power will almost triple by the end of the decade, to about 13,000 megawatts from 4,570 megawatts now, he said.

Tenaga, which early this year lost its monopoly over power generation following a series of massive supply.

power failures, will build two 500megawatt power plants in the coastal town of Port Klang over the next four years. Mr. Vellu said.

The projected increase in demand prompted the government to award licenses to two consortiums. YTL Power Generation Sdn. and Sikap Energy Ventures Sdn., as independent power producets. Twelve other companies have applied for such licenses.

The Tenaga chief executive, Ani Arope, said recently the stampede of private concerns into the energy business could result in Malaysia heading toward a power glut. But Mr. Vellu dismissed fears of over-

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# **Orioles Vault Into First** On McDonald's 1-Hitter

By Mark Maske

Washington Past Service BALTIMORE — The explosive fastballs, terrorizing sliders and mind-bending curveballs just kept coming as Ben McDonald overpowered the Kansas City Royals with his first one-hitter in the major leagues, and the Baltimore Orioles shot into first place in the American League East.

McDonald's 7-0 triumph over the Royals leap-frogged the Orioles over the Toronto Blue Jays and the New York Yankees into a halfgame lead in the division. It is the first time they've occupied the top spot in 13 months.

fifth-place Detroit trails by two.

by two games and Kansas City by

Harold Baines homered and drove in three runs for the Orioles. McDonald limited Kansas City to Gary Gaetti's fourth-inning single. He issued three walks, tied his career high with nine strikeouts and he faced only 30 batters, three above the minimum. Only one

### AL ROUNDUP

Royal got as far as second base, when McDonald wriggled free from a first-and-third jam in the second inning. It was the 30th onehitter in club history.
"I'm happy with it." McDonald

Boston is only 1/2 games out and the place Detroit trails by two. It's close in the West, too, where Chicago leads second-place Texas outside part of the plate and he guessed right and took it to left."

# **McGriff and Fire** Heat Up the Braves

Fred McGriff didn't take long to add some much-needed power to. the Atlanta Braves' lineup.

In his first game since being acquired in a trade with San Diego. McGriff hit a two-run homer in a five-run sixth inning as the Braves overcame a five-run deficit to beat the St. Louis Cardinals, 8-5, Tuesday night after a fire at Atlanta-Fulton County Stadium delayed the start of the game by 1 hour, 58

The spectacular blaze occurred 90 minutes before the game, destroying several boxes in the mez-

### NL ROUNDUP

zanine area near the press box. One firefighter was overcome by smoke inhalation, but no other injuries were reported.

. "With the fire and driving from Tampa — what a day — I need some sleep," said McGriff, who arrived in Atlanta earlier in the day after driving 400 miles from his home in Tampa, Florida.

The Braves tied the game at 5 with the five-run sixth that was capped when McGriff drove Rene Arocha's first pitch over the center field fence. McGriff's 19th homer of the season came in his third atbat with his new club. Batting fourth, he had grounded out his first two times up.

The Braves were hitting a leaguelow .246 entering the game. McGriff has averaged more than 30 home runs the past five seasons.

Phillies 8, Dodgers 2: Lenny Dykstra homered leading off the seventh to break a 2-all tie in Los Angeles and help Philadelphia's Danny Jackson win for the first time in nearly a month.

Giants 8, Expos 3: Darren Lewis hit a two-run homer, had three hits and scored four runs as San Franciso, playing at home, stayed alop the West by nine games.

Reds 8, Cubs 3: Chris Sabo drove in three runs with a bases-loaded Allonto

CONTRACTOR OF THE STATE OF THE

single and a double in Cincinnati as Tim Belcher ended Chicago's fivegame winning streak and extended

his own to eight victories in his last

Pirates 2, Astros 1: Randy Tomlin threw a four-hitter against Houston for his first complete game in more than a year as he outpitched his former teammate, Doug Drabek, in Pittsburgh. Jeff King singled in the Pirates' first run, in the fourth, and scored the second after singling in the seventh.

Padres 4, Mets 1: Rookie Jeff Gardner's first major-league homes and Greg Harris' career-best 10th victory, a four-hitter in San Diego, halted New York's longest winning streak this year at three games.

Rockies 6, Martins 3: Home runs by Andres Galarraga and Dante Bichette helped visiting Colorado end its five-game losing streak and clinch the season series against expansion rival Florida.

That's the toughest opposing pitcher to throw against us all year," said David Cone, the Royals' starter. "Without a doubt, he was extremely sharp. He just did not give us much to hit."

McDonald became the first Oriole since Jim Palmer in 1972 to have 14 consecutive starts in which he's allowed three earned runs or fewer. He's 5-5 with a 2.36 carned run average over that span. He low-ered his ERA for the season to 3.24, and he moved his career record over the 500 mark, to 35-34.

"I think this is the best run Ben has had in the major leagues," the Orioles's manager, Johnny Oates, said earlier. "The difference is be-tween pitching and throwing. He's pitching now.

The Orioles, at 52-42, moved to 10 games over .500 for the first time this year. They've won three straight, nine of their last 12, and are 31-12 since they were a season-low nine games below .500, at 21-30, on June 2. And the club that was in sixth place and 101/2 games behind in late May, was atop the AL East for the first time since June 19. 1992.

■ In other games, The Associated Press reported: White Sox 2. Blue Jays 1: Frank

Thomas hit a two-run homer in the sixth in Chicago and Alex Fernandez held Toronto to four hits. With the White Sox behind, 1-0,

on John Olerud's 18th homer in the second, Joey Cora looped a one-out double to center and Thomas hit Juan Guzman's next pitch for his 22d homer.

Mariners 9, Yankees 5: Ken Griffey Jr. hit a two-run single during a six-run seventh and also homered as Seattle won in New York. Mike Stanley's second grand slam in three days gave the Yan-

kees a 5-0 lead after five innings. The Mariners bounced back to end their four-game losing streak and stop New York's four-game winning string as Dave Fleming won his sixth straight decision.

Red Sox 2, Angels 1: Boston, playing at home, won its fifth straight as Scott Cooper scored



It was a meeting of expansion teams, Roberto Mejia running into Gary Sheffield of Florida at third base after hitting an RBI triple that gave Colorado a 3-1 lead. The Rockies won the game, 6-3.

from third on Scott Fletcher's homer in the bottom of the ninth. five-hitter and struck out a careergrounder over the mound in the

zalez hit his 26th homer to tie Barry ninth to beat California. Bonds for the major-league lead, a three-run shot in a four-run fifth Twins 4, Tigers 3: Shane Mack's two-run homer in the eighth gave helping Texas beat visiting Mil-waukee. Kevin Brown pitched a Minnesota its victory in Detroit, although Cecil Fielder hit his 25th

Rangers 5, Brewers 1: Juan Gon-high 10 to hand the Brewers to their sixth straight loss.
Indians 9, Athletics 5: Carlos

Baerga hit a grand slam and drove in five runs as Cleveland beat visit-

# Lewis-Bruno Bout Is Set, for Oct. 1

Compiled by Our Staff From Dispatches on-again, off-again negotiations, WBC heavyweight champion Lennox Lewis agreed Wednesday to fight fellow-Briton Frank Bruno on

A press conference to officially launch the fight was postponed for 24 hours, but both camps said only the venue remained to be decided.

Lewis's manager, Frank Ma-loney said the bout will take place at Cardiff Arms Park in Wales, although Brano's camp was said to be favoring Wembley in London.

"At this stage, we don't have a signed contract," said Bruno's promoter, Mickey Duff. "There are things in the contract I'm not hap-py with. But I don't visualize any blems. If common sense prevails. I'm confident we will have an

"I think it is going to be held in Wales but I couldn't care less if it was held in Canada," Bruno said. Lewis, for his second title defeast, will earn about \$5.3 million while Bruno will get \$1.52 million. (AP. Reuters)

Earlier, Robert McG. Thomas Ir of The New York Times reported: The heavyweight boxing division degenerated into one of its periodic battles royal Tuesday with just about everybody but the boxers in the ring and swinging wildly.

The fight began with a round-house from Riddick Bowe's manager, Rock Newman, who has been re-peatedly accused of ducking a bout with Lewis, who inherited the WBC title that Bowe trashed after winning the undisputed championship from Evander Holyfield last year.

Newman, who has been stung by criticism that previous overtures to Lewis had been showboating offers containing deliberate catches making them impossible to accept, announced that he had guaranteed Lewis an unconditional, nostrings-attached \$11 million to fight Bowe in a unification match in Las Vegas on Nov. 5.

Among other things, Newman said, the \$11 million was \$1 million more than Lewis had previously

demanded for a Bowe fight and all LONDON — After months of of it would go directly to Lewis, with Newman providing the cut for Lewis's co-promoter, Dan Duva. In addition, Newman said, the money was fully guaranteed, not by him but by HBO, the cable network, and other corporate participants.

Moreover, Newman said, he had dropped his previous qualities about-the WBC and had agreed to let that group participate in the promotion.

Lewis's London-based manager. Frank Maloney, countered with a jab, saying he had rejected Newman's offer because Lewis had pri-or commitments to fight Bruno and Tommy Morrison, the hard-punching conqueror of George Foreman.

Duva. Maioney's tag-team partner, joined the fray, accusing Newman of deliberately waiting until Lewis had agreed to the Bruno and Morrison fights before making yet another show-boating offer Newman knew Lewis could not accept. Had the offer come in May, Dava said, Lewis would have accepted.

Newman responded by denouncing Duva as a hypocrite and calling Maloney a liar.

If Dava was insisting the offer would have been accepted in May, Newman asked, how come Duva. who also represents Holyfield, was threatening as late as June to go to court to force an immediate Bowe-Holyfield rematch if Bowe tried to fight Lewis first?

Turning his attention to Maloney, Newman said Lewis could easily buy his way out of the commitment to Morrison and didn't even have a contract with Bruno.

"This proves that it is Lewis who is afraid to fight Bowe and not the other way around," Newman said, claiming victory in the battle for public perception.

Bowe's options, he said, included such attractive prospects as a re-match with Holyfield, a fight against the mandatory challenger, Michael Moorer, and one other intriguing possibility.

"Believe it or not," he said, "we're not out of the Bruno sweep-

### **SCOREBOARD**

# BASEBALL

Major League Standings AMERICAN LEAGUE

Tuesday's Line Scores

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gan, 7-10. Sv—Spradiin (2). HRs—Chicago. Swychele (7). Chacinnati, Oliver (9). Colorado 665 218 366—6 13 1 Florida 660 101 018—3 8 2 Blair, S. Reed (6). Holimes (9) and Owens. Shaffer (6): Harmmonds, Nen (6). R. Lewis (7) and Santiago. W—Blair. 4-7. L—Harmmonds. 19-4. Sv—Holmes (7). HRs—Colorado. Bi-chetti (11). Galarmon (14).

19-4. Sv.—Holmes (7). HISS—Colaration or charte (11), Golorrasso (14). St. Loois 606 328 696—6 16 3 Affentia 606 825 620—6 11 1 Argoha, Cormier (6), Olivores (8) and Pos-nozzi; Giovine, Bedrosion (5), McMitchael (7), Wohlers 8, 8, Sonitio (9) and Berryhill. W.—Wohlers 4-0, L.—Cormier, 5-6, Sv.—Storton

PANSACTIONS FOOTBALL

bocker; Tv Porter, defensive linemon; Mac-cello Simmons and Forey Duckett, corner-tack; Tom Scatt, tockle; Lance Guan, solety; Doug Petirev, placekicker; and Tony McGe. Johl and, Walved Share Garrett, wide receiv-

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INDIANAPOLIS—Signed Ceries Ether edge, fight end; Loncs Lewis and Roosewill Patts, running backs; Marquise Thomas, line backer; and Derwin Gray, defensive back Wolved Victor Hall, fight end. Signed Do

FEDERATION CUP

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Sonchez Vicorio def. Yayuk Baseki, 61, 627
Virginio Russia and Cristina Torrein def. Tetal
lussima and Suconna Wibova, 74 (7-3), 44,6-3.
Pintand 2, Japes (8) 17. Mono Endo, Joseph,
def. Petra Thores, 63, 6-2; Norse Debliman,
Fintand, def. Nooto Sovernatsu. 6-2, 6-3;
Thores and Dobliman def. Risks inflastication
Nona Alivesi, 6-4,5-7, 6-3.
Arpestino 2, Bulgario (4) 1: Ines Gerrochologil, Arpestino 6-6, Koterino Biblievra-6-1,75; Macadolena Rislevia, Bulgaria, def. Floretcia Lobot, 6-4, 5-7, 6-3; Gorrochigesul and
Pohricia Torobini def. Katerino and Macadolena Moleva. 5-7, 4-4, 6-2.
Unibed States (5) 2, Caleo 1: Lindony Dovenport, U.S., def. Virs B&6-1, 6-3; Fenne Li, Chillo,
def. Lot Alexani, 3-4, 4-6, 4-6, Dovennort

Assiruija 3, Diemark 6; Michelie Joppord Lai def, Safie Albinus, 6-1, 1-6, 6-1; Nicole Pro vis def, Korin Plaszek, 7-6 (7-6), 7-6; Elizabeti

nce (6) 2, Sweden 8: Julie Holard def, arisson, 4-2, 6-3; Nathalie Tauxial def,

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Germany, def. Barbara Schelt, 6-2, 4-4, 8-6; Soblasi Hack, Germany, def. Judith Wiesner, 6-2, 6-1; Austria w.a., Germany ret. Seath Adrica 2, Israel 1; Aras Smashnova, Israel, def. Rossyl Folkhelik-liteffer, 6-4, 4-3: Isruel, del. Rossiy Foirbunk-Nideffer.6-4.6-3; Amondo Costzer; South Africa, def. Yosi Se-

### CYCLING

Tour de France

Alvero Mello, Colombia, Motorola, st.; 8, Richard Virango, France Wad Perfect, 1:35; 9, Jon Unassa, Spain, CLAS, 1:35; 10, Cloudia ichan Brumeel, Belgium, ONCE, 16:38; 9 Pedro Delgado, Spain, Banesto, 19:21; 10. Vic-

# DENNIS THE MENACE



"I JUST WANTED TO SEE IF I HAD ENOUGH MONEY TO BUY A BIGGER PIGGY BANK."

JUMBLE THAT SCRAMMLED WORD OF FRACT . PAROE THE KIND OF THE KIND OF ROBLEMS A SKIPPER FACES WHEN HIS SHIP IS BEHIND YARNTT SCHEPULE. , PINKAD

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DISMAY MALLET



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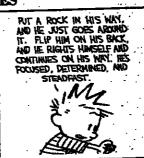
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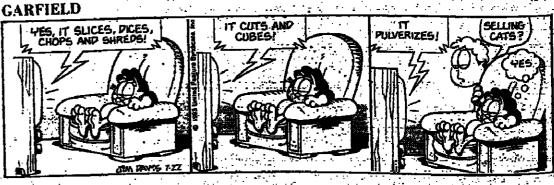
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# SPORTS SOCCES

# Indurain at His Peak Marseille's Bernès Again Denies Bribe Charges 2d Day in Pyrenees General Manager Em

By Samuel Abt mel Heroid Tribune ST. LARY SOULAN, France On the day that everybody in the Tour de France agreed would be

now or never to wrest the leader's yellow jersey from Miguel India-ain, he had the last word. In his native Spanish, it was "nunca,"

His opponents have only themselves to blame. Just two riders, Claudio Chiappucci and Tony Rominger, challenged Indurain in the Pyrenees on Wednesday and neither attacker managed to break free away, Chiappucci, an Italian with for long Perhaps this continuing lack of success is the reason nobody else tried to unseat the Spaniard.

He finished third, gaining more than a minute on his nearest challenger. Barring illness or accident, Indurain seems assured of his third successive victory in the Tour when it limishes Sunday in Paris.

If the 230.5-kilometer (143-mile) stage from Andorra to a high-altimode finish at the ski resort of Pla d'Adet turned out not to be a battle for first place, it certainly was one. for second and third.

Zenon Jaskula, a Pole with the GB-MG team who was ranked third overall before the stage, won it and moved from I minute, 22 seconds out of second place to 14 seconds back. Jaskula was timed in 7 hours, 21 minutes, 1 second, a speed of 31.2 kilometers an hour, a jot above the fastest time expected by the official Tour guide.

Second in the sprint finish was Rominger, a Swiss with the Clas team, who started the day in fourth place and provided all the spark on the final climb as he tried, and failed, to outdistance Jaskula, Rominger was given the same time as Jaskula, with Indurain third, three seconds behind. In four stages now in the Alps and Pyrenees, the de-fending champion has not finished

lower than fifth. Alvaro Mejia, a Colombian with Motorola, was the main loser on a retained his overall second place ground.

Sumo History

Made by Ozeki

Wakanohana

but not only lost more than a minute to Indurain but dropped the 1:08 to Jaskula.

No major change is expected in the third and final daily stage in the Pyrenees on Thursday since its two-gant climbs are followed by nearly 75 kilometers of descent, which usually allows the pack to come

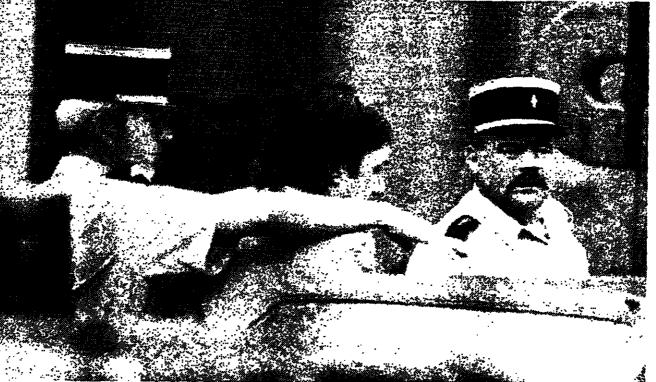
No such option was available on Wednesday's 16th stage of the 20 stages in the three-week race, Knowing that the linish was at the end of a climb two mountains Carrera, attacked on the descent from the third mountain, the Portillon Pass. He and a companion, Massimo Ghirotto of ZG Mobili never got more than 25 seconds ahead and were caught on the de-scent from the fourth mountain, the Pevresourde Pass.

As a regrouped field of about 30 riders started the final ascent to Pla d'Adet, Rominger whizzed off with nine of 10 kilometers left. Only ladurain could catch him and, when he did, Rominger attacked again. And again Indursin moved into position right behind.

Fighting to save his third place, Jaskula managed to join them and they continued up the mountain in that order until the last 200 meters. when Jaskula came around both leaders and sprinted for the line.

Despite unselfish pacing efforts by Andy Hampsten, his Motorola teammate, Mejia could finish no better than seventh, tightening the battle for second place and providing whatever suspense is left in this 80th Tour. After Thursday's final stage in the Pyrenees, the only opportunity for real gain is a time trial Saturday and Indurain has not lost one of those in three Tours.

So ended the now-or-never day, tains this spring — he on a bicycle, Mrs. Big Mig in the family Mer-cedes behind him — and prochilly but sometimes sunny day. He nounced this the major battle-



Olympique Marseille's general manager, Jean-Pierre Bernès, being escorted by police into the five-hour hearing in Valenciennes.

While it ended at breakneck speed, the day began slowly, with the 138-man pack in little hurry to fight it out. Waved out of the center of Andorra early in the morning by traffic policemen in cerise red outfits that made them resemble valet parking attendants at a swank restaurant, the riders passed into

Spain and to the first climb. That led to the Collado del Canto, just a muscle relaxant with 10.4 kilometers of a 3.9 percent grade. It was rated second category in a so defined even by Indurain, who scale from four up to one and then scouted all of Wednesday's mounbeyond category in length, steepness and toughness.

After two and a half weeks of huge crowds along the Tour's many roads, the mountain was early de-

tators at the peak. Perhaps it was Spanish flags, some being used by the early hour, about 10 A.M., or the remoteness of the region. Then came the Puerto de la Bon-

aigua, first category with 22.6 kilo-meters of a 4.9 percent grade and a classic Pyreneen road: narrow, poorly repaired, a continuous series of short turns. Many fans were out here and some were busily painting riders' names and messages to them on the roads in advance of the pack's arrival. The best message thus far, incidentally, had to be the one in Andorra on Monday's stage that said simply "Hola, mama." As in hello, mom, what do you mean I

As the pack passed the chilly summit, 2,072 meters high, the ridserted except for a few dozen spec- ers could see a large number of

spectators as blankets. The view was splendid: Off to the left, evergreens marched up the flanks of the Pyrenees, which were mottled in was the first of the day's climbs that provided a full view down a

The pack was still together here, making haste slowly, and stayed together on the descent, whose tight turns were made even trickier by gravel that had spilled onto the road from eroding cliffs. Next came the Tour's return to France at the Portillon Pass, second category and 8.4 kilometers of 6.9 percent grade on another bad road. Neverheless Chiappucci and Ghirotto attacked on the testing descent.

On to the mighty Peyresourde,

### General Manager Emerges From Showdown Smiling

Compiled in Our Staff From Dispatches
VALENCIENNES. France — Olympique Marseille's general manager, Jean-Pierre Bernes. emerged smiling from the court-house here Wednesday after con-tinuing to deny charges of bribery in a showdown with his accusers.

Bernes spent some five hours in a session with the investigating judge. Bernard Belly, and those who have accused the Marseille official of trying to fix a league match against Valenciennes on May 20. His lawyer, Jean-Louis Pelletier,

said that Bernes had maintained his innocence and said that it was time his client was released. Bernes denies contacting three

Valenciennes players — Jacques Glassmann, Christophe Robert and Jorge Burruchaga - and offering them money to take it easy the match May 20, which was played six days before the final of the Champions' Cup tournament, In that match. Marseille upset AC Milan to win the European champion-

Glassmann alleges that he, Robt and Burruchaga were called by Marseille player, Jean-Jacques Evdelie, on the eve of the match Pyrenees were added to the Tour in and that Bernes then made an offer 1910, were dubbed "The Circle of of 250,000 francs (\$44,000).

Robert and his wife, Burruchaga. delie and Bernes have all been formally placed under investigation of corruption. Marie-Christine Robert, who claims to have re-ceived the money from Eydelie. was also present at Wednesday's

hour's view of the race in slow as-But Pelletier said outside the court building that Bernes "had not Finally the regrouped pack arvaried one iota and declared his rived in a long train at the short complete innocence of the accusavalley leading to St. Lary Soulan tions and re-affirmed that he had and, far above it, the ski resort of nothing whatsoever to do with this affair.

Pla d'Adet. The lirst sight of the high-altitude finish, 1,670 meters up at the end of a 10.1-kilometer not normal for him to spend one ramp with an 8.7 percent grade, must have been chilling.

Bernes, who has been held in the medical wing of a nearby prison," left the building by another exit and wore a broad smile as he sat in. a police car.

The pressure has been mounting on Bernes, particularly since July when Eydelie, who had similardenied the charges, suddenly changed his version and said he-

had acted as a middleman. Eydelie claimed he had been acting on instructions from Bernes raising speculation that Berne's might also change his version.

Pelletier added on Wednesday evening that although his client had left the meeting, the others were continuing.

Searches of Olympique Mar-seille's office have turned up enverlopes and banknotes in the same series as those used in the alleged bribe. But investigators have disclosed that none of the identifiable fingerprints on the payoff envelope or bills belong to any of the key-

The war of words between Bernard Tapie, the team's owner, and Eric de Montgolfier, the outspoken prosecutor recently told to curb his appetite for telling the press where the case stands, resumed Wednes-

De Montgolfier suggested that Tapie tried to maneuver him into dropping the case the sole time ha interviewed him.

"He tried charm and influence." de Montgolfier was quoted as say-ing. "But I never really understoodwhat he expected. It would have been more clear if he offered a suitcase full of money."

Tapie, facing a libel suit by Jus-tice Minister Pierre Mehaignerie over his Nazi slur against the investigators, counter-attacked by de-There is not a shred of material manding that a judge in Paris imevidence against him. It is therefore pound recordings of all the prosecutor's statements. Tapie's lawyer applied to the court for the protective seizure of

radio and television interviews and tapes of news conferences with a view to possible libel action against de Montgolfier. Earlier, the secretary general of FIFA denied having threatened Marseille with an immediate inter-

national ban if Bernes was found to be involved in bribery. Sepp Blatter told the Marseille, daily Le Provencal it would be up-

to the French soccer authorities to: take disciplinary action first. "The possible suspension of: Marseille from the European Cup does not depend on us. We suspend.

a club only if it is suspended by its own federation," Blatter told the French paper. "FIFA cannot act against a club.

be reassured about their future," he He had been quoted on Sunday as saying that if it turned out that

ropean champions would be banned internationally. And imme-

simply said the Polish federation:

NAGOYA, Japan - Popular sumo wrestler Wakano-bana, with a 37-8 record in the past three tournaments, was promoted Wednesday to the sport's second-highest rank of

ozekt, or champion. It is the first time in the history of Japan's national sport, which dates back 800 ii brothers have belo the rank of ozeki at the same time, according to the Japan Sumo Association.

Wakanohana's promotion came just three tournaments and six months after that of his younger brother. Takinohana. They are the sons of former ozeki Takanohana, who now runs the Putagoyama stable of which his sons are members. Their uncle, who first used the wrestling name of Wakanohana, was a yokozumu or grand champion, from 1958 to 1962

Wakahanada won the March tournament and fin-ished 13-2 in July, in a threeway tie with Takanohana and American yokozuna Akebono, who won the playoff. .

### ESPN International Adds Events, Chinese

Compiled by Our Staff From Dispatches
And now, Chinese

ESPN International, the arm of the U.S. cable sports network that has spread its reach through affili-ates in Asia and the Pacific Rim, has announced that, starting Fri-day, it will provide Chinese language commentary in the Manda-rin dialect on afternoon and prime time weekend broadcasts.

Among the sports involved, the ball, National Basketball Associa-tion and NCAA basketball games, soccer matches from Europe and Latin America, Davis Cup tennis, boxing and Indy car racing.

Officials of the 24-hour-a-day satellite sports network said plans called for the Chinese commentary to be expanded to weekday prime time hours by Sept. 1, and to 24-hour coverage in 1994.

The broadcasts will continue to be delivered in English throughout Japanese, German, French, Dutch, nights a week to two. Spanish and Portuguese.

ESPN, having acquired the do-mestic and worldwide TV rights to the 1995 America's Cup, said earlier that the defender series finals that April and the America's Cup finals in May would be telecast worldwide.

ESPN international may also carry the January 1995 challenger series, if a deal for the rights can be struck with TransWorld international, the TV arm of the international Management Group.

And, in the biggest gamble since ESPN's debut in 1979, it will test how much more action and information viewers can take starting Nov. 2, by introducing a youth-oriented ESPN2, which will be teleby-program basis.

It will be geared to attract men and women 18 to 34 years of age, while the original ESPN is meant for those 25 and older.

ESPN2 won't be a total departure from ESPN, but it will lack major league baseball and the National Football League games.

ESPN is negotiating a another contract with major league base-ball, having lost heavily on the four-year deal that ends with this the region. In other areas of the season ESPN said it wants to re-world, they can be already heard in duce its commitment from five duce its commitment from five

Fewer baseball games will give hockey the game-of-the-week com-mitment it lacked last season. And because research shows that the NHL has great appeal to men 18-34, hockey will be the marques sport on ESPN2. (IHT, NYT)

### SIDELINES

Italian Horse Racing Chief Charged

GROSSETO, Italy (Combined Dispatches) — The president of UN-IRE, the state agency that controls gambling on horse racing, was charged Wednesday with accepting bribes in return for licensing new betting shops.

The charges against Giuseppe Zurlo, a former Christian Democrat deputy, followed the opening Tuesday of a general investigation into corruption in race betting, Italians bet \$19 million on horses last year.

The soccer federation said it had begun disciplinary action against Paolo Zibani, a defender for Napoli and the latest player in Italy to test positive for cocaine. Traces of the drug showed up in a private test last season, a federation spokesman said.

• Soccer authorities also said they had agreed to a contract with a national pay television network to telecast a first division match live every Sunday night starting next season. (AFP, Reuters)

### Spain Lays On Special Trains to Paris

MADRID (AP) — Confident of Miguel Indurain's victory in the Tour de France, the state rail company RENFE said Wednesday it would run special trains to Paris for fans wanting to see the Spaniard's triumph. RENFE said two sleeping-car trains would depart from Madrid and Barcelona on Saturday and arrive in Paris on Sunday for the final stage of the cycling tour. The company said it was setting a special price of 15,000 pesetas (\$110) for the 36-hour return trip.

■ For the Record McLaren joined its Formula One arch-rival Williams-Renault in ap-

pealing the ban on active suspension and traction control systems; FISA announced that its appeal tribunal, which was to meet July 27 in Paris, will now meet Aug. 2. (AFP) The House Foreign Affairs Committee approved a resolution opposing Beijing's bid to host the 2000 Summer Olympics because of China's

human rights record.

Tom O'Malley of the Hanshin Tigers hit a two-run homer in the fourth.

singled to start a five-run seventh, went 4-for-5 and was named the game's States. Spain, France, the Nethermost valuable player as the Central League won Japan's second all-star game, 10-8. The Pacific League won the first game, 10-8. (AP)

Stobodan Jankovic, the Serbian basketball player paralyzed since running his head in a basket support in anger during a Greek playoff game in April, was flown to London for specialized treatment. (AP) first set, but suddenly lost her way.

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### Czechoslovakia, U.S. Survive Scares in Cup

FRANKFURT -- Helena Sukova, who grew up with talk of Federation Cup success at the fam- added: "But there was no way we ily dinner table, played a starring role Wednesday as Czechoslovakia beat Italy to reach the quarterfinals. She had few problems in a 6-4, 6-

It was packed with fans, since it

long mountainside and its many

switchbacks. Anybody near the top

of the 12.8-kilometer climb up a 7.1

percent grade could get nearly an

2 victory over Francesca Bentivoglio in the opening match of the seeded Bulgaria. second-round series. Argentine will But Czechoslovakia suffered a States in one quarterfinal Thursday.

was beaten by Sandra Cecchini, 0-Then Sukova, who was 10 when her mother, Vera, captained sore hip, was upset, 2-6, 7-6, 6-0, by Czechoslovakia to its first title, in Fang Li, No. 94 in the world, after Czechoslovakia to its first title, in 1975, teamed with Novotna to advance their team, 2-1, with a 6-2 6-2 victory over Cecchini and Sylvia

Farina in the doubles. The United States overcame a lapse by Lori McNeil to advance with a 2-1 victory over China.

Czechoslovakia, competing for the last time before the Czech and Slovak republics enter separate

My serve did not seem to work and she had the right luck at the were going to lose the doubles. Argentina, traditionally strong on

the slow clay courts, pulled off the only surprise of the day when it won the deciding doubles against fourth-Argentine will meet the United

setback in the second singles when with Australia playing Finland in Wimbledon finalist Jana Novotna the other. On Friday, Czechoslova world soccer which has to keep an kia plays France and Spain meets the Netherlands. McNeil, bothered by a stiff and

blowing a match point. But McNeil returned 30 minutes later to partner Lindsay Davenport

for the first time and they posted a

0 victory over Denmark. Germany salvaged some pride had acted faster." to qualify next year.

# Bernes had been involved "the En-

6-3. 6-0 victory in the doubles over

when it beat Austria to avoid having

Li Chen and Jing-Qian Yi. Asked about reports he had criti-Australia, which ousted defending champion Germany on Tues- acting too slowly on the Marseille' day, continued its good run with a 3- affair. Blatter told Le Provencal: "L

Marseille faces Lens Saturday in the season's first match to defend The Germans won both singles its league championship. French' Novotna seemed to be in control against Cecchini after taking the first set, but suddenly lost her way.

Also Certains won total singles are league championship. Frence soccer officials say they will allow the club to finish the season in the injured list. (Reuters, AP, AFP) first division. (AFP, AP, Reuters)

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# Putting Russia on a Par

WASHINGTON — "The Lloyd explained. "The deals they committee to Get Russia on are unable to close in the board-Its Feet" met at the Russian Tea Room the other day to come up with some new ideas. All the news so far concerning the economy has

been a disaster. John Bird Lloyd was the first to speak, "What makes the United States the greatest country in the

No one could come up with an

Lloyd said. "Golf. Next to Japan we are the largest golfplaying nation in the world and therefore the most productive."
"Why do you

say that?" Tom Ebert wanted to

Because all the deals in America are made on golf courses. Companies are bought and sold while people are playing golf, law cases are settled on putting greens, stocks and bonds are traded over driving ranges. Nothing in this country happens unless it takes place on a golf course.

Buchwald

The reason the Russians have not been able to get a jump-start on their economy is that they have no country clubs. Instead of us investing money in their industries, we should build them 18-hole golf courses so that they will be able to pull themselves up by their own

"How is that going to work?"
Michael Dennos asked.

### Royal Philharmonic **Sets Anniversary Tour**

LONDON - The Royal Philharmonic is to tour more than 40 countries to mark the 50th anniversary of the United Nations and the

orchestra's own half-century. It will make the tour in eight parts between 1995 and 1997. The first leg will include a concert in San Francisco in June 1995 on the 50th anniversary of the signing of the UN charter. A concert in Lon- the first time in modern history don in March 1996 will open the that both superpowers will start off

Lloyd explained, "The deals they rooms will come to a successful conclusion on the 16th hole. The Russians can sell insurance, exchange real estate and procure loans with the people they play with. They can do things in a Mos-cow locker room that they would never be able to do in the Kremlin.

courses and ship over Amie Palmer. I guarantee that they'll be a superpower in 18 months. Linda Ramsey wasn't convinced. "Wait a minute. We're assuming that the Russians can learn how to play golf. It's not in their culture to hit a little white hall around. Sup-

I say that we give them five golf

pose we finance the golf courses and they do nothing but bogey?" They're not stupid! They can learn it. The fact that they have been deprived of playing golf in the past doesn't mean they are not willing to try. Besides, if we assure

them that golf is the best way to stay out of the house and office, they'll pick it up in no time."
Lloyd added, "If the Russians have golf courses they will attract U.S. businessmen with investment capital. Every American will want to go there if he is assured he can play on a new course. Several banking friends of mine have told me privately that they're willing to finance Russia's next five-year plan

sured of getting in a few rounds while they were in the country."

with billions if they could be as-

Tom Ebert was still skeptical, "I read a book that said that the Russians considered golf a decadent capitalist sport."

"That was under Stalin's regime," Lloyd said. "He rounded up all the golf carts in the Soviet Union and had them destroyed People have been anxious to play golf ever since. Yeltsin hit a 93 when he met with Clinton in Van-

"O.K.," Michael Dennos said, "I recommend that all the U.S. aid earmarked for Russia go directly for golf courses. Once the Russians get on the fairways, the economy of the country will take care of itself. Getting them to play the game is obviously in our interests. It will be

# Fun and Profit From Unfashionable Books

By Richard Bernstein New York Times Service

TEW YORK - Erwin A. Glikes was in Cambridge, Massachusetts, a few weeks ago doing what all publishers do when they travel, looking in bookstores for his books. What he saw was common for Glikes, the publisher of many best-selling works of serious nonfiction, whose latest product is the highly controversial "The Real Anita Hill" by David Brock.

"Every feminist book you can think of was prominently displayed around Harvard Square," he recalled. "Every book about American racism. All the fashionable topics." But "The Real Anita Hill," which, like other books published by Glikes, runs contrary to the received ideas of what he thinks of as the liberal establishment, was at best hidden in obscure corners as though it were a piece of pornography, even though at the time it was in the third spot on The New York Times

Erwin Glikes is a soft-spoken, highly articulate man who over the last decade or so, as president and publisher of The Free Press, a division of Macmillan, has carved out a special role: he publishes conservative books, not only conservative books, but many of the more noteworthy works of recent years that confound what he sees as the dominant, politically correct culture Glikes published Robert Bork's "The Tempting of America." Before that he published Denesh D'Souza's "Illiberal Education," a best-selling attack on the academic left. He has been the conservative commentator George Will's publisher for 20 years.

Glikes acquired Allan Bloom's "The Closing of the American Mind," the surprise best-seller that in many ways was the opening conservative salvo in the ongoing culture wars. When a State Department policy analyst named Francis Fukuyama wrote an article saving that history had come to an end with the triumph of Western democracy over communism in the Cold War, Glikes signed Fukuyama to write The End of History and the Last

Man," which also became a best-seller. Now comes Brock's assault on the credibility of Anita Hill, the book version of which was suggested by Glikes after he saw an article by Brock on the subject in The American Spectator.

The book has been praised by some reviewers for its detailed documentation and its close reasoning. But it has been harshly criticized by many others. The Nation said it was "a sham and a scandal" that "no reputable publishing house should have touched." The New Yorker ran a long article on it by Jane Mayer and Jill Abramson, who are writing a compet-ing book, in which they accuse it of being



For Erwin Glikes, reasoned debate of "fault-line issues" is almost impossible.

so factually inaccurate as to be worthless. Anthony Lewis, a New York Times columnist, called the book "sleaze with foot-

All this has constituted yet another adenture for Glikes as publisher of books that, in his opinion, examine the unexamined assumptions lying beneath prevailing elitist opinion. "I'm regarded by a lot of other publishers and friends as a charming man, but different, other, not a member of the club," Glikes said recently. "My views seem inexplicable in somebody so nice. It's, 'Why is Erwin lost in this way? What's wrong with him?"

To Glikes, the worst thing about American letters these days is that ideas and opinions are not so much debated but used as "badges of recognition."

"There are little enclaves of conservatives and other enclaves of liberals, and never the twain shall meet in New York City, which is pathetic," he said.

A few weeks ago, in what he sees as an emblematic experience. Glikes received a copy of a letter that a filmmaker named Martin Kahan wrote to the owner of a bookstore on the Upper East Side of Man-hattan complaining that when he asked for a copy of "The Real Anita Hill," he got a

reaction similar to the one he might have received had he asked for "Mein Kampi." Glikes had only shortly before asked for the book at his own neighborhood book-store. Shakespeare & Co. Booksellers on the Upper West Side, and so he wrote back to Kahan saying. "I had much the same

"It is truly paradoxical that so many bookstores, which rely on our defense of First Amendment principles for their safety and very existence in a society full of fundamental disagreements, are so quick to interfere with public access to opinions they personally do not like." Glikes wrote to Kahan, sending a copy of his letter to Bill and Steve Kurland, the owners of Shakespeare & Co.

Bill Kurland responded, defending his right to select books he thinks will most interest his customers. Glikes, he said. would hold bookstores "to a First Amendment standard that I imagine you would find onerous were it applied to your publishing program." Kurland wrote that "The Real Anita Hill" was being displayed at Shakespeare & Co... "albeit not as prominently as you might desire." Then Kurland said: "And by the way, perhaps to Kahan's surprise, we do carry 'Mem Kampf, although we don't display that prominently either.

"It was not my intention to compare the 'The Real Apits Hill' with 'Mein Kampf," Kurland said in an interview. My point was that while we might carry many books we don't agree with, we don't try to censor."

For Ghkes the problem, he said, is the growing impossibility of a reasoned de-bate about what he calls "fault-line issues," in which people have so much at stake that they do not so much argue their case as try to delegitimize morally those who disagree with them. Others share this view and that is why they admire Glikes.

"Certain questions are considered only in the department of color, liberal color or conservative color," Saul Bellow, the novclist, said. "These categories have pushed people to extremes. But, after all, the facts have rights of their own to be presented without people being incriminated as they.

He added. Erwin is willing to take chances on behalf of positions that he thinks it's necessary to express and for that reason I take a very favorable view of what he does."

Glikes came to doing what he does by a roundabout route. He was born in Ant-werp, Belgium, in 1937, fleeing to France with his family ahead of the Nazi invasion and arriving in the United States in 1942. He taught English and comparative litera-ture at Columbia University.

But after 1968, when students took over

administration buildings and stopped most teaching, Olikes was persuaded that the future of disinterested scholarship was cloudy. He joined his friend Irving Kristol at Basic Books, where he quickly rose to be publisher and president. After four years at Simon & Schuster, in 1983 he took over the distinguished but foundering Free Press and made it one of the most profit-

able publishing divisions of any company.
"Up until not very long ago," Glikes:
said, "intellectual excitement, the sense of lighting convention, lay with those who felt that central control for the improvement of society held the highest promise, that you could create a perfect society by forcing people to do what you think is good for them. Now, the excitement is in the search for alternatives to that tired

false and bloody experiment."
"In my view," Glikes said, "what's happened is that a kind of modish, leftish iberalism has become the only social bond holding people together these days, in the absence of any other sense of community In such a simuation, someone who challenges the validity of the tenuous strands that hold the community together is not a welcome participant, but a barbarian, a

### Some Nasty Surprises For the Warhol Estate

A prolonged dispute over the value of the late artist Andy War. hol's work was settled when his estate was valued at approximately \$220 million, significantly less than an estimate of between \$600 million and \$700 million given by £4. ward W. Hayes, the lawyer for the estate until be was dismissed earlier this month. The dispute included a bitter conflict that pitted Frederick W. Hughes. Warhol's business parmer and executor who fell ill with multiple sclerosis shortly after at the artist's death in 1987, and Hayes, the flamboyant lawyer who was widely believed to be the model for the lawyer in Tom Wolfe's nov-el "Bonfire of the Vanities." The settlement awarded. Hughes \$5.2 million and remaining assets to a Warhol foundation.

John Updike is surprised how Ernest Hemingway is being market-ed in Key West. "There's this sense of letting Hemingway become good-time Ernie," said the novelist who was awarded this year's Conch who was awarded this year's Conch Republic Prize for Literature. "Well, living wasn't really what he did best." Updike said. "We should remember him as a writer." ∵□

John Mellencamp, who has sung for beleaguered farmers, will hold concerts in Chicago. Indianapolis and St. Louis next week for victims will go to the Red Cross and concertgoers are being asked to bring food, clothing and water for flood victims. Nine years ago he gave a free show for high school students who filled sandbags during an Indiana flood

Margaret Thatcher, former British prime minister who is also a trained chemist, is to be awarded an honorary chemistry degree by Moscow's Mendeleyev University, British officials said:

Roy Haynes, a self-taught American drummer, won the 1994 International Jazzpar Prize from the Danish Jazz Center.

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### **WEATHER**

Forecast for Friday through Sunday, as provided by Accu-Weather

**ACROSS** Actor Thicke s Decorative e Problem for

17 Soprano Lucine

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# If you're going to travel all over the map, here's how to call from almost any point on it.



